

Using Multiple Award Schedules

Advanced Version

Student Guide

Version 3.1





Using GSA Multiple Award Schedules: Student Guide

Tips at a Glance...

As you read through this manual, look for this helpful tip to help you make a "Best Value" selection.



NUTS AND BOLTS TIP

These tips, identified by the icon shown here, are "how-to's" designed to enhance your learning experience.



MAS DESK REFERENCE

As you read through this manual, look for these references for more detailed information on a particular subject.

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Course Overview

List of Acronyms and Websites

Below are acronyms that appear in this manual. The corresponding website addresses are listed when available.

AAC	Activity Address Code
AbilityOne	Formerly known as JWOD www.abilityone.gov
ADR	Alternative Dispute Resolution
A/OPC	Agency/Organization Program Coordinator
ВОА	Basic Ordering Agreement
ВРА	Blanket Purchase Agreement www.gsa.gov/bpa
CICA	Competition in Contracting Act
CCR	Central Contractor Registration www.ccr.gov
CMLS	Centralized Mailing List Service www.gsa.gov/cmls
coc	Certificate of Competency
СТА	Contractor Team Arrangement
eBuy	Electronic Request for Quotes System www.ebuy.gsa.gov
EPA	Economic Price Adjustment
EPLS	Excluded Parties List System www.epls.gov
FAPIIS	The Federal Awardee Performance and Integrity Information System www.fapiis.gov
FAR	Federal Acquisition Regulation www.acquisition.gov/far/index.html
FAS	Federal Acquisition Service www.gsa.gov/fas
FedBizOpps	Federal Business Opportunities www.FedBizOpps.gov
FPMR	Federal Property Management Regulations
FSS	Federal Supply Schedules
GFE	Government Furnished Equipment
GFI	Government Furnished Information
GFM	Government Furnished Material
GPE	Governmentwide Point-of-Entry Federal Business Opportunities www.fbo.gov
GSA	General Services Administration www.gsa.gov

GSAM	General Services Administration Acquisition Manual
	www.acquisition.gov/gsam/gsam.html
GWAC	Governmentwide Acquisition Contract www.gsa.gov/gwac
HUBZone	Historically Underutilized Business Zone
IDIQ	Indefinite Delivery/Indefinite Quantity
MFC	Most Favored Customer
MAS	Multiple Award Schedule
MOU	Memorandum of Understanding
NCSC	National Customer Service Center
ОМВ	Office of Management and Budget www.whitehouse.gov/omb
ORCA	Online Representations and Certifications Application https://orca.bpn.gov
РВА	Performance-based Acquisition
PL	Public Law
PPIRS	Past Performance Information Retrieval System www.ppirs.gov
PWS	Performance Work Statement
QASP	Quality Assurance Surveillance Plan
RFI	Request for Information
RFQ	Request for Quotation
SBA	Small Business Administration www.sba.gov
SIN	Special Item Number
S00	Statement of Objectives
SOW	Statement of Work
SPOC	State Point of Contact
U.S.C.	United States Code

^{*}For additional acronyms and websites, please review the MAS Desk Reference

Notes	Course Introduction			
	Welcome to GSA's <i>Using Multiple Award Schedules</i> training. This course is designed for the federal 1102 community working in both civilian and military agencies.			
	The target audience for this training is contracting professionals at all levels who seek to gain understanding or strengthen their knowledge of Federal Supply Schedules contracting and ordering procedures.			
	This course will cover the procedures for placing orders for supplies and services against Multiple Award Schedules (MAS) as outlined in Federal Acquisition Regulation (FAR) Subpart 8.4. Other parts of the FAR that are applicable to orders placed against Schedules will be referenced as necessary. This course is not a course in general FAR procedure such as protests, acquisition planning, preparation of statements of work, and contract files management, but will discuss these topics as they relate to Schedules contracting and ordering procedures.			
	Course Outline			
	In this two-day course, you will get an in-depth view of the MAS program as it applies to the Acquisition Life Cycle. There are seven lessons:			
	 Lesson 1: MAS Program Overview 			
	 Lesson 2: Defining Requirements 			
	- ◆ Lesson 3: Market Research			
	 Lesson 4: Acquisition Strategy, Competition, and Order Placement 			
	 Lesson 5: Task/Delivery Order Administration 			
	 Lesson 6: Closeout Administration 			
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Course Objectives

Upon completion of this course, you should be able to:

- Describe the MAS program, to include benefits, prioritization, goals, and characteristics
- ❖ Define procurement requirements as they relate to the MAS program
- Conduct market research using GSA Schedules
- ❖ Identify key elements of the acquisition strategy using Multiple Award Schedules
- Identify ordering procedures for the MAS program
- Identify order termination and closeout procedures

Notes	Lesson 1: MAS Program Overview
	In this lesson, you will learn about the Multiple Award Schedules (MAS) program, GSA's responsibility for the program, how vendors participate, the basic structure of those contracts, and how they are used across the federal government.
	Learning Objectives
	Recognize the purpose of the GSA Schedules program
	Identify the statutory authority of the GSA Schedules program
	Recognize how FAR Subpart 8.4 procedures benefit Schedule users over FAR Part 13/15 procedures
	List priorities for use of government supply sources
	Identify Schedule features in support of agency goals, to include sustainability and socioeconomic programs
	 Describe the phases of the Acquisition Life Cycle (ALC) when using a GSA Schedule
	Lesson Topics
	◆ Topic 1: Introduction to the MAS program
	◆ Topic 2: Benefits of the MAS program
	◆ Topic 3: Priorities for Use
	◆ Topic 4: Types of Schedules and Characteristics
	❖ Topic 5: Meeting Agency Goals
	❖ Topic 6: Acquisition Life Cycle Overview

Topic 1: Introduction to the MAS Program

Notes

GSA Mission and Objectives

GSA Mission: Use expertise to provide innovative solutions for our customers in support of their missions and by so doing, foster an effective, sustainable, and transparent government for the American people.

MAS Objective: Provide federal agencies and other ordering activities with a streamlined acquisition process for obtaining commonly used commercial services and supplies at prices associated with volume buying; aiding customers to achieve the best value possible.

Our Strategic Themes

Acquisition Excellence

FAS will be recognized for excellence in government acquisition by providing:

- Skilled acquisition and technical expertise,
- High-quality contracts, and
- Innovative systems and tools.

Acquisition Excellence supports the GSA goal of Operational Excellence.

Workforce Excellence

FAS is committed to:

- Enhancing our employees' knowledge, skills and talents,
- Providing a positive work environment,
- Engaging employees in challenging work, and
- Empowering employees to exercise sound business judgment.

Workforce Excellence supports the GSA goal of Operational Excellence.

Environmental Sustainability

FAS will:

- Nurture values that inspire a continual commitment to a Zero Environmental Footprint,
- Provide customers with environmentally sustainable solutions and green expertise,
- Provide tools giving stakeholders the ability to measure and reduce their GHG emissions, and
- Drive environmental sustainability in the government's supply chain.

Environmental Sustainability supports the GSA goal of Innovation.

Notes	Customer Focused Offerings FAS will maximize customer value by: Working together to review, add, improve and remove solutions, and Anticipating customers' needs. Customer Focused Offerings supports the GSA goal of Customer Intimacy.
	GSA Business Lines
	Public Building Service Office of Governmentwide Policy Office of Citizen Services and Innovative Technologies Federal Acquisition Service
	GSA is composed of four primary business lines:
	 ❖ Public Building Service (PBS): PBS has the following mission: To provide superior workplaces for federal customer agencies at good economies to the American taxpayer. PBS is the landlord for the civilian federal government. It acquires space on behalf of the federal government through new construction and leasing, and acts as a caretaker for federal properties across the country. PBS owns or leases 9,600 assets, maintains an inventory of more than 362 million square feet of workspace for 1.1 million federal employees, and preserves more than 480 historic properties. PBS is funded primarily through the Federal Buildings Fund, which is supported by rent from federal customer agencies.
	 Office of Governmentwide Policy (OGP): OGP's policy making authority covers the areas of personal and real property, travel and transportation, information technology, regulatory information and use of federal advisory committees. OGP's strategic direction is to ensure that governmentwide policies encourage agencies to develop and utilize the best, most cost effective management practices for the maintenance of their specific programs.
	Office of Citizen Services and Innovative Technologies (OCSIT): The Office of Citizen Services and Innovative Technologies is the nation's focal point for data, information and services offered by the federal government to citizens. In addition, OCSIT plays a leading role in identifying and applying new technologies to effective government operations and excellence in customer service in the government.
	❖ Federal Acquisition Service (FAS): FAS provides contracting vehicles (including the MAS program), fleet management, travel and transportation management, and governmentwide purchase card services to federal agencies.

FAS Business Portfolios	Notes
Office of Integrated Technology Services Office of General Supplies and Services	
Office of Travel, Motor Vehicle and Card Services	
Office of Assisted Acquisition Services	
) ———
FAS is comprised of four primary business portfolios:	
❖ Integrated Technology Services: The Integrated Technology Services (ITS) organization combines many of GSA's Information Technology (IT) programs into a single FAS business portfolio. The main components of ITS are Acquisition Operations Management, IT Schedule 70, Governmentwide Acquisition Contracts (GWACs), Telecommunications and Network Services Office of Infrastructure Optimization, Planning & Portfolio Management, and Program Support. ITS actively works with GSA's industry partners and customers to ensure that its solutions are relevant and represent the best, more up-to-date technology solutions. Customer agencies can choose from many acquisition vehicles and eTools to procure information technology, software, telecommunications products, services, and integrated solutions that best fit their acquisition and mission needs. ITS provides national program leadership across the 11 regional Network Services organizations.	p
General Supplies and Services: The Office of General Supplies and Service (GSS) is responsible for acquisition services and comprehensive supply chair management, including excess/surplus federal property. GSS performs these activities with four business lines: Acquisition Operations, Supply Operation Enterprise Supply Chain Solutions, and Personal Property Management.	1
❖ Travel, Motor Vehicles, and Card Services: The Travel, Motor Vehicles and Card Services (TMVCS) portfolio is responsible for establishing, managing, a delivering efficient and customer-centric travel, transportation, charge card, and motor vehicle products and services to the federal government. The four program offices under TMVCS are the Office of Acquisition Operations, the Office of Charge Card Management, the Office of Motor Vehicle Management and the Office of Travel and Transportation. TMVCS strives to provide customers with the best value through competitive pricing and offer specializ expertise to help customers meet their needs.	and

Notes	Assisted Acquisition Services: FAS' Assisted Acquisition Services (AAS) program offers value-added, customized, acquisition, project management, and financial management services for Information Technology related products and services and Professional Services to federal agencies worldwide. AAS trained staff are certified contracting, project management and financial management professionals located throughout the United States, Europe, and Asia. AAS offers expertise in formulating and executing Information Technology and Professional Services acquisitions and projects.		
	Region 2 Includes Puerto Rico & Virgin Islands Virg		
	Statutory Authority for the MAS Program		
	GSA has the authority to procure and supply: personal property and non-personal services		
	- for executive agencies through the Federal Property and Administrative Services Act of 1949.		
	 41 U.S.C. Sec 259 provides that GSA Schedules are considered competitive if: Participation is open to all responsible prospective contractors; and Orders and contracts result in the lowest overall cost alternative to meet the government's needs. 		
	Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) and Title 40, U.S.C. 501, Services for Executive Agencies, are the two statutes that authorize the MAS program. The GSA Administrator has statutory authority to procure and supply personal property and nonpersonal services for use of the executive agencies in the proper discharge of their responsibilities, and perform functions related to procurement and supply. The statute states that the use of GSA Schedules is a competitive contracting procedure since participation in the program has been open to all responsible prospective contractors, and orders and contracts under such procedures result in the lowest overall cost alternative to meet the needs of the government. (See FAR 8.404(a).)		

Responsibility for Management of MAS Program

- The GSA Federal Acquisition Service (FAS) manages the MAS program
- Schedules for medical services and supplies have been delegated to U.S. Department of Veterans Affairs (VA)

The U.S. General Services Administration (GSA) is a centralized federal procurement and property management agency designed to help federal agencies serve the public. GSA continuously seeks new supplies and services, designs innovative systems, introduces procurement models, addresses customer needs and expectations, and strives to create "Best Value" for customers.

Under a special agreement, GSA has delegated responsibility for management of Schedules for medical supplies and services to the U.S. Department of Veterans Affairs (VA). See www.fss.va.gov for more information.

Regulatory Foundation

The Federal Acquisition Regulation (FAR)

FAR	Provides	Applicability
Subpart 8.4	Ordering procedures for GSA Schedules	Federal Government Ordering Activities
Part 38	Procedures to follow when establishing GSA Schedules	GSA
Part 12	Acquisition of Commercial Items	GSA awards Schedule contracts under Part 12
Subpart 6.102(d)(3)	Defines orders placed against Schedules as a competitive procedure	All

The Federal Acquisition Regulation (FAR) provides the primary regulatory guidance for the GSA Schedules program. The General Services Administration Acquisition Regulation (GSAR) is the GSA FAR supplement. The GSAR provides guidance tailored to GSA acquisitions, including GSA Schedules contracting. GSAR guidance primarily affects GSA Schedules by providing supplementary guidance to the Contracting Officers awarding and administering GSA Schedule contracts.

FAR Subpart 8.4, Federal Supply Schedules, prescribes procedures that federal government ordering activities must follow when issuing orders using GSA Schedules. Orders placed following these procedures are considered to be issued using full and open competition. (See FAR 8.404(a).)

Lesson 1: MAS Program Overview	11

Notes	FAR Part 38, Federal Supply Schedule Contracting, prescribes procedures that GSA must follow when establishing, discontinuing, or changing Federal Supply Schedules.
	FAR Part 12, Acquisition of Commercial Items, prescribes policies and procedures unique to the acquisition of commercial items. It implements the federal government's preference for the acquisition of commercial items contained in Title VIII of the Federal Acquisition Streamlining Act of 1994 (Public Law 103-355) by establishing acquisition policies more closely resembling those of the commercial marketplace and encouraging the acquisition of commercial items and components.
	FAR 6.102(d)(3), Competition Requirements, this subpart pertains to use of competitive procedures. It states use of MAS issued under the procedures established by the Administrator of General Services consistent with the requirement of 41 U.S.C. 259(b)(3)(A) for the MAS program of GSA is a competitive procedure.
	What is a Multiple Award Schedule?
	Federal Supply Schedule (FSS) – governmentwide contract vehicle for commercial products, services, and solutions
	Also known as "GSA Schedules"
	GSA receives Schedule contract offers through standing solicitations posted on FedBizOpps
	GSA conducts negotiations, awards, and administers Schedule contract IAW FAR Part 12
	GSA Schedules The MAS program provides eligible ordering activities with a simplified process for obtaining supplies and services. Schedule contracts are multiple award, Indefinite Delivery/Indefinite Quantity (IDIQ) contracts, which are awarded to responsible companies that offer commercial supplies or services at fair and reasonable prices. Products and services are ordered directly from Schedule contractors.
	Multiple Award Schedules are also known colloquially as "GSA numbers," "GSA Schedules," "GSA contracts," "Federal Supply Schedules (FSS)," and the "GSA list." All of these terms are used synonymously within the federal contracting community to refer to the GSA MAS program. Through the MAS program, GSA contracts with thousands of commercial businesses that provide access to a vast array of professional services, such as management, financial, engineering, environmental, accounting, graphic design, and landscaping services. In addition to commercial services, commercial supplies range from computer hardware to office supplies.
	FSS website: www.gsa.gov/schedules

Topic 2: Benefits of the MAS Program

FAR Subpart 8.4 Simplifies the Solicitation Process

- · Schedule orders are:
 - Faster
 - Easier
 - More economical



- Formal evaluation (SSEB not required)
- Cost analysis (commercial pricing at the Schedule level)
- Extensive documentation (less formal process)
- Debrief (may provide feedback)
- Competitive range determination

FAR Subpart 8.4 provides ordering procedures for placing orders against a GSA Schedule. FAR Part 13, Simplified Acquisition Procedures, Part 15, Contracting by Negotiation, and FAR Part 19, Small Business Programs (except for 19.202-1(e)(1)(iii)), are **NOT** applicable to orders placed against Multiple Award Schedules. (Except that FAR 13.303-2(c)(3) allows for BPAs to be established with Multiple Award Schedule contractors, if not inconsistent with the terms of the applicable Schedule contract.)

FAR 8.404(a)

Under FAR Subpart 8.4 ordering activities do NOT:

- Conduct a formal "negotiated procurement"
- Issue a "solicitation" for 30 days (or any other pre-determined time)
- Conduct "discussions"
- Conduct formal "debriefings"
- Use FAR Subpart 15.3 concepts and procedures

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Not using FAR Subpart 15.3 concepts and procedures has the following implications for your task order selection process:

- ❖ There is no requirement to follow the FAR 15.305 requirement to "evaluate competitive proposals and then assess their relative qualities." In other words, your evaluation system can immediately <u>compare</u> (and remember, we don't say "compete" because the CICA requirements have already been met) one quote to another in order to determine the rank ordering for selection.
- ❖ You are not bound by the rules in FAR Subpart 15.3 for evaluating past performance, such as the requirement to provide a neutral rating to a quote without any past performance. Further, if you choose not to use past performance as an evaluation factor, there is no requirement to document the file with your rationale.
- There is no requirement to capture "the relative strengths, deficiencies, significant weaknesses, and risks supporting proposal evaluation" as required in FAR 15.305. This means your evaluation system can be very streamlined. There is no requirement to set a competitive range using all the published evaluation factors. This means that you can save yourself and the Schedule contractor considerable time and money by phasing your procurement in a manner that uses the least costly factors to initially down-select the quoters.
- Because a competitive range is not established, there is no need to be overly focused on the nature of exchanges with the quoter. You can engage in detailed exchanges about any aspect of a quote at any time. Naturally, you should make every effort to treat each quoter equitably. You must not be biased, arbitrary, or capricious and your decisions must be adequately (but not overly) documented.



NUTS AND BOLTS TIP

If an agency issues a Schedule order using FAR Part 15 terminology and procedures, protest review authorities, such as the GAO and the courts, may sustain a protest against the order using FAR Part 15 procedures.

Governmentwide Ordering Requirements

- Sec. 863 of 2009 National Defense Authorization Act enacted new competition requirements for orders exceeding the SAT
 - Essentially the same as DOD has had for years under DFARS 208.405-70
 - The new requirements are now found at updated FAR 8.405-1, 8.405-2, and 8.405-3
- · Ordering activities must:
 - Provide fair notice to as many contractors as practicable in order to receive at least three quotes
 - If fewer than three quotes received:
 - Document reasonable efforts to identify qualified contractors
 - · Posting at GSA eBuy meets this requirement
 - Ensure all quotes received are evaluated fairly

Effective May 16, 2011, Section 863 of 2009 National Defense Authorization Act requires all agencies to follow the same requirements for competition that previously only applied to DOD.

Notes **MAS Value Proposition** Realize cost savings • Up-to-date, FAR-compliant acquisition vehicles that help minimize risks · Competitive market-based pricing that leverages the buying power of the federal government, with the ability to negotiate further discounts at the order level Acquisition experts available to help customers make the most of MAS On-site and online training for help in using MAS Pricing: GSA Contracting Officers negotiate fair and reasonable prices for order quantities less than or equal to the maximum order threshold, which is established at the contract level by Special Item Number (SIN). Schedule contracts typically include prices that are the same as or better than the prices the Schedule contractors offer to their best commercial customers. The pricing offered to the best commercial customer is identified as "most favored customer" (MFC) pricing. Savings: The MAS program provides ordering activities with competitively awarded contracts to increase the productivity and capacity of scarce acquisition resources. In addition, the program offers quick and easy access to the right industry partners, allowing customers to make the most use of their valuable time. MAS DESK REFERENCE For more on the MAS Value Proposition, refer to the MAS Desk Reference, page 5.

MAS Value Proposition

Experience flexibility and choice

- The ability to tailor orders to get what you need by customizing terms and conditions at the order level
- · Alternatives such as Blanket Purchase Agreements (BPAs) and Contractor Team Arrangements (CTAs) that can replace the need for agency Indefinite Delivery/Indefinite Quantity (IDIQ) contracts
- Decision tools and contracting solutions proven to meet complex requirements
- A vast selection of contractors offering expert solutions for services and products
- May set aside orders for small business at Contracting Officers discretion

Flexibility: Ordering activities have the flexibility to:

- Conduct best value procurements considering relevant "best value" factors
- Obtain a total solution to large or complex requirements using a Schedule CT.
- Establish a long-term relationship with a Schedule contractor or group of Schedule contractors using a Schedule BPA (Note that single-award BPAs m not exceed one year, with up to four, one-year options, per FAR 8.405-3(d)(2).)
- Include additional terms and conditions (e.g., a rating under the Defense Priorities and Allocations System (DPAS)) as long as they do not conflict with Schedule contract terms and conditions
- Section 1331 of the Small Business Jobs Act of 2010 (SBJA) created a change effective November 2, 2011. Contracting Officers can now, at their discretion set aside orders and BPAs to small business or subset of small business (8.405-5(a))

Governmentwide Purchase Card (GPC) acceptance. All Schedule contractors must accept the GPC for orders not exceeding the micro-purchase threshold. However many Schedule contractors accept the GPC for orders of any amount. Contracting Officers may use the GPC as a method of payment for orders up to their warrant limit Cardholders must follow local agency guidelines for use of the GPC.

Extensive range of products/services: The wide variety and large number of Schedule contractors allow ordering activities to access an extensive range of suppli and services to satisfy their requirements. More than 19,000 Schedule contractors offer over 20 million supplies and services. These contractors are among the best firms in their industries, from small innovative companies to Fortune 500 firms. In addition, contractors can form CTAs to meet large or unusually complex government requirements.

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Notes	MAS Value Proposition		
	Save Time		
	Pre-competed, on-demand contracts to increase the productivity and capacity of scarce acquisition resources		
	Quick and easy access to the right industry partners, allowing customers to make the most use of their valuable time		
	Use of FAR Subpart 8.4 procedures significantly reduces the time required for competing for goods and/or services. Orders can be awarded in days or weeks, rather than months. Additionally, nearly every company wishing to do business with the federal government starts out with a GSA Schedule contract. Therefore, it is highly probable that the firms an agency would like to see compete for their business will be on GSA Schedule.		
	MAS Value Proposition		
	Realize transparency		
	 A suite of eTools that can be leveraged to identify qualified contractors, maximize competition, and assist customers in reaching their socioeconomic goals 		
	Business intelligence into customer purchasing patterns when using our eTools		
	GSA eTools make it fast and easy to identify qualified contractors, maximize competition, and assist customers in reaching their socioeconomic goals.		

MAS Value Proposition

Control the procurement

- Self-service access that allows agency contracting offices to retain control of their procurements, including requirements development, evaluation, award and administration
- Full-service options when in-house resources are tapped with other pressing projects

The MAS program provides ordering activities with both self-service access and fullservice access to Schedule contractors. Activities that are at full capacity and do not have time to properly focus on the entire procurement process can use the full-service option to gain additional support. The self-service option allows agency contracting offices to retain control of their procurements, including requirements development, evaluation, award and administration.

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Topic 3: Priorities for Use Authority to Use a GSA Schedule	
Organizations Executive agencies Other federal agencies Mixed-ownership government corporations The District of Columbia Government contractors authorized IAW FAR 51.1 Other activities authorized by statute or regulation	 Purchasers Contracting Officers Holders of governmentwide commercial purchase cards Those otherwise authorized by the agency or activity to order using GSA Schedules www.gsa.gov/eligibilitytouse
An activity can place orders using a GSA S GSA Schedules and the Schedule user: * Is a Contracting Officer	chedule if the activity is authorized to use
	ourchase card (subject to established limit
Is otherwise authorized by the agence	cy or activity to order using GSA Schedule
An activity must be authorized to use GSA A list of activities authorized to use Schedu ADM 4800.2F, Eligibility to Use GSA Source (www.gsa.gov/graphics/fas/GSAOrderADM) check with management if they believe that Schedules, but is not on the list.	lles is presented in GSA Order es of Supply and Services //4800_2F.pdf). Acquiring activities should
Receipt of a federal grant does not authoriz addition, a cost-reimbursement contractor to a third-party leasing company to use GS.	cannot transfer procurement authorization
Any activity requesting an eligibility determ GSA Office of Governmentwide Policy, Att	
MAS DESK REF For more on eligibility	ERENCE , refer to the <i>MAS Desk Reference</i> , page 6.

Priority Use of Government Supply Sources for Products



When supplies are needed, ordering activities should first check if they can get the supplies from their own agency's existing inventory. If not, they should check with other agencies to see if they can buy the needed supplies from other agencies' existing stock. Information regarding the availability of other agencies' supplies can be obtained by:

- Reviewing GSA's excess personal property catalogs and bulletins;
- Talking with someone at GSA or the activity holding the property;
- Submitting supply requirements to GSA regional offices using GSA Form 1539, Request for Excess Personal Property; or
- Examining and inspecting GSA regional office reports.

If the supply is not in stock, the purchaser should continue going down the priority list. Once all sources are exhausted, the ordering activity can go to commercial sources other than Schedules (i.e., open market acquisition), including educational and nonprofit institutions.



MAS DESK REFERENCE

For more on Priorities, refer to the MAS Desk Reference: Section 1.

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Priority Use of Government Supply Sources for Services



FAR 8.002 prioritizes the order in which purchasers must consider various sources when looking to buy services. The ordering activity must check first with the services on the Procurement List maintained by the Committee for Purchase from People Who Are Blind or Severely Disabled (AbilityOne). If the services are not available, continue through the sources until all three are exhausted. If nothing is available there or if the services involve classified or sensitive information, the purchaser can look to make purchases throughout other commercial sources on the open market acquisition.

Note: Acquiring activities should determine if the required service or supply is available through GSA Schedules before considering any other commercial source.



MAS DESK REFERENCE

For more on Priorities, refer to the *MAS Desk Reference:* Section 1.

Topic 4: Types of Schedules and Characteristics

MAS Schedule Facts

- GSA offers over 20 million supplies and services
- 39 open and standing solicitations published on FedBizOpps (including nine managed by VA)
- Over 19,000 Schedule contracts
 - 80% are small businesses
 - Orders and BPAs can be set aside for small businesses
- \$48 billion total annual spend (including VA)

GSA Schedules provide access to over 20 million commercial supplies (products) and services at volume discount pricing. The Schedule List in the GSA eLibrary contains a list of all GSA and VA Schedules. The generic categories of supplies and services available under each Schedule may be viewed by clicking on the Schedule number in the "Source" column. Supplies and services are identified in each Schedule by SIN.

Special Item Numbers (SINs)

Within each Schedule are specific SINs. SINs are groups of similar (but not identical) supplies or services that are intended to meet similar customer requirements. SINs are also known as categories.

Each Schedule is comprised of multiple SINs. For example, Schedule 874, *Mission Oriented Business Integrated Services (MOBIS)*, has ten SINs:

- 874-1, Consulting Services
- * 874-2, Facilitation Services
- * 874-3, Survey Services
- * 874-4, Training Services
- 874-5, Ancillary Supplies and/or Services
- 874-6, Acquisition Management Services
- * 874-7, Program and Project Management
- * 874-8, DAU and FAI Certified DAWIA Training
- 874-9, Off the Shelf and Customizable Print, Audio, and Visual Instructional Training Devices
- 874-99, New Services

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Notes	GSA Schedules are awarded on an Indefinit The total quantity of services or supplies the contract and the specific time for delivery of Schedule solicitations only include estimate each SIN.	at will be acquired under the Schedule f those items are not set in the contract.
	The quantity and names of Schedules and S eLibrary (www.gsaelibrary.gsa.gov) provide and links to additional information about each	s a current listing of all Schedule contracts
	What Services are Available on S	chedule?
	Environmental Services Professional Engineering Services Logistics Services Language Services Management and Consulting Services (including Training) Temporary Administrative and Professional Services	 Information Technology Services Advertising and Marketing Services Financial and Business Solutions Security Solutions Facilities Maintenance Disaster Relief
	Note: For a comprehensive list of services plea	se visit GSA eLibrary.
	GSA Schedule Contract Fundamentals Solicitations for GSA Schedule contracts a FedBizOpps. Vendors wishing to become G an offer at anytime. More information on Sc www.gsa.gov/schedulesolicitations.	SA Schedule contractors may submit
	GSA Schedule contracts have a base period year option periods. Options are exercised i	
	Ordering activities issue delivery or task orders specify the scope, milestones, to Options may be included on orders placed a be exercised, provided that:	imeframe, and price for the requirements.
	Funds are available	
	The requirement covered by the option	on fulfills an existing government need
	Prior to exercising an option, the ord government's best interest, with pric	ering activity ensures that it is still in the e and other factors considered
	The order options do not extend beyond contract options	ond the period of the Schedule

Acquisition of Commercial Services

FAR 11.002(a)(2)(iii) requires that, to the maximum extent practicable, offerors of commercial items be provided an opportunity to compete for any government contract acquisition. If the use of commercial services is precluded, purchasers may lose the benefits of commercial item innovations. Failure to define a service requirement as a commercial item will also prevent purchasers from using Schedule contracts and participating in the related benefits.

Purchasers should describe services requirements in a way that permits sellers providing commercial services to compete. Preferably, a performance-based approach should be used, in accordance with FAR Subpart 37.6, so that results sought are stated versus how the work should be done.

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MAS DESK REFERENCE

For more information, refer to the MAS Desk Reference: Section 12: List of GSA Multiple Award Schedules.

What Supplies are Available on Schedule?

- Office Supplies and Equipment
- Tools and Hardware
- Building and Industrial Materials
- Furniture
- Scientific Equipment

- Information Technology Products
- Vehicles and Support Equipment
- Appliances and Food Services
- Law Enforcement, Fire, and Security Products

Note: For a comprehensive list of services please visit GSA eLibrary.

Commercial Items and MAS

The FAR definition of "commercial items" as found at FAR 2.101(b) includes both supplies/commodities and services. It is very broad and encompassing and includes all of the following types of items as commercial items:

Nongovernmental items: A supply of a type customarily used by the general public or by nongovernmental entities for other than governmental purposes and has been sold, leased, or licensed to the general public or has been offered for sale, lease, or license to the general public.

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Evolved nongovernmental items: A nongovernmental item that:

- Evolved from an item customarily used for nongovernmental purposes through advances in technology or performance, and
- Will be available in the commercial marketplace in time to satisfy the delivery requirements under a solicitation.

Modified versions of either of these item types: An item that would be considered a nongovernmental item or an evolved nongovernmental item if it were not for one of the following:

- Modifications of a type customarily available in the commercial marketplace
- Minor modifications of a type not customarily available in the commercial marketplace that must be made to meet federal government requirements

A minor modification does not significantly alter the nongovernmental function or essential physical characteristics of an item or component, or change the purpose of a process. Factors to be considered in determining whether a modification is minor include the value and size of the modification and the comparative value and size of the final item. Dollar values and percentages may be used as guideposts, but are not conclusive evidence that a modification is minor.



MAS DESK REFERENCE

For more information, refer to the MAS Desk Reference: Section 12: List of GSA Multiple Award Schedules.

FAR	Title	Applicable to Orders
Part 13	Simplified Acquisition Procedures	No (except allows for MAS BPAs)
Part 14	Sealed Bidding	NO
Part 15	Contracting by Negotiation	NO
Part 19	Small Business Programs	NO (except Bundling)
Part 36	Construction and A&E	NO
Part 7	Acquisition Planning	YES
Part 10	Market Research	YES
Subpart 17.5	Interagency Acquisitions	YES
Subpart 33.1	Protests	YES
Subpart 37.6	Performance Based Acquisition	YES
Part 39	Acquisition of Information Technology YES	

Notes

MAS Contract Characteristics

- Multiple-award IDIQ (five-year award; three, five-year options)
- Firm Fixed Price, Fixed-Price EPA
- Quantity and delivery performance requirements at the order level
- Price Reductions discounting is allowed at anytime

Quantity and Delivery/Performance Requirements

As IDIQ contracts, the Schedules themselves contain no specific quantities, other than minimum and maximum threshold amounts. The ordering activity sets specific order quantities and specific delivery/performance dates when issuing an order under the Schedule contract. When issuing an order:

- Delivery or performance periods and all other order requirements must conform to the applicable terms and conditions of the Schedule contract, but
- An ordering activity may add additional terms and conditions as long as they do not conflict with the Schedule contract.

Notes	Limits on Order Placement and Timing In accordance with FAR 8.405-1 and 8.405-2, Schedule users:
	May issue orders for supplies, or for services not requiring a Statement of Work (SOW), orally, by facsimile, by paper order, or by electronic commerce methods
	May not issue oral orders when ordering services requiring an SOW. Orders by facsimile, by paper order, or by electronic commerce methods are authorized
	May place an order anytime during the effective period of the Schedule contract. Any order not completed within the period of the Schedule contract must be completed within the time specified in the order.
	May not issue oral orders for brand name items when the order exceeds \$25k
	May not place repetitive orders for the same items, to attempt to avoid exceeding the Simplified Acquisition Threshold (SAT) and holding a proper competition
	Negotiating Reductions from Schedule Prices ❖ Permitted at any time. Vendor may offer reduced prices based on specific quantities, overall volume, delivery requirements and other order-specific conditions and terms.
	REQUIRED for the government buyer to REQUEST reductions for any requirement (order or BPA) in excess of the SAT.
	Vendors not required to agree to any reductions.

MAS Contract Characteristics

Order Level Thresholds:

- At or Below the Micro-purchase Threshold: Place the order with any GSA Schedule contractor
- Micro-purchase SAT: Survey at least three contractors and make a best value determination
- Exceeding SAT: Ordering agencies must solicit or consider multiple sources and must seek price reductions

Any item under the micro-purchase threshold may be purchased without competition. This enables the ordering agency to quickly acquire what it needs. Although use of small businesses is preferred, it is not mandatory.

For items over the micro-purchase threshold but not over the SAT, written quotations are not required, use of eBuy is not mandated, and ordering agencies may review at least three Schedules and choose the combination of products and services that represent the best value to the agency. Preference should be given to small businesses.

The competition requirements for purchases over the SAT have changed for civilian agencies; they now match DOD's requirements. Agencies must solicit enough vendors to ensure receipt of at least three quotations, they must seek price reductions, and use of eBuy will ensure that a sufficient number of vendors have been made aware of the requirement. If fewer than three quotations are received, the Contracting Officer must document the file to explain the result, including stating what should be done the next time to ensure more competition.

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Notes **MAS Contract Characteristics** Contract Level Thresholds: • Minimum order threshold - contractors are not required to accept orders below this threshold (negotiated at contract level) Maximum order threshold – contractors may reject orders above this threshold (established at the SIN level) Minimum order threshold. Each Schedule contract contains a minimum order threshold. A Schedule contractor is not required to accept any order with a value less than the minimum order threshold. However, many Schedule contractors willingly accept such orders. If an order is issued below the minimum order threshold, the Schedule contractor has five days after receipt to reject the order. Maximum order threshold. The maximum order threshold is set at a dollar amount where experience shows that it is advantageous for the ordering office to seek additional price reductions. The maximum order threshold is set by dollar value in Schedule contracts and is established at the SIN level. Therefore, each contractor under a specific SIN will have the same maximum order threshold. A Schedule contractor is not required to accept any order that exceeds the maximum order threshold established in the Schedule contract. They have five days to reject the order. When placing an order exceeding the maximum order threshold the ordering activity shall seek an additional price reduction from Schedule contractors. (See FAR 8.405-1(d)). Quantity and delivery/performance requirements. The Schedules themselves contain no specific quantities, other than minimum and maximum order threshold amounts. The ordering activity sets specific order quantities and specific delivery or performance requirements when issuing an order under the Schedule contract. When issuing an order, delivery or performance periods and all other order requirements must conform to the applicable terms and conditions of the Schedule contract; however, an ordering activity may add additional terms and conditions as long as they do not conflict with the Schedule contract. **NUTS AND BOLTS TIP** It's a good practice for Contracting Officers to contact companies to whom orders have been awarded to ensure acceptance. Otherwise, the best indication of order acceptance is that the contractor performs or delivers. The Contracting Officer can learn of acceptance prior to the end

of five days by calling the contractor.

Economic Price Adjustment (EPA) Methods

Commercial price lists/ equivalent

3 Option years Fixed escalations Market indices

GSA Schedule contractors are allowed to renegotiate or modify Schedule contract prices IAW their commercial practices.

The contractor may request price decreases at any time during the contract period. Price increases occur IAW the EPA clauses negotiated with each contractor. Common techniques include commercial price lists, fixed escalations and market indices.

If a contractor seeks to raise prices by comparison to the contractor's commercial price list, it must submit a modification request (i.e., a request for equitable price adjustment) before the increase can take effect. Fixed escalations and market index adjustments are determined during the Schedule contract negotiations and become part of the terms and conditions of the contract.

Fixed escalations state the amount that prices automatically increase on the anniversary of the contract. The contractor does not need to submit a modification request for this change.

Increases can also be based on published indices, market indicators, or price surveys. The contract's terms and conditions dictate how much the rates can change annually relative to the index. For example, it might say that price increases will be based on the average price of a similar product listed in a specific annual price survey, or it could say that prices will adjust the same amount as the rate of inflation.

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Notes		NUTS AND BOLTS TIP Task Order Pricing: Economic Price Adjustments and Escalation
		Task order prices do not automatically increase when the prices on the Schedule contract, against which it was awarded, increase. The ordering Contracting Officer may include a special provision in the task order to allow automatic price increases.
		It is acceptable for the ordering Contracting Officer to add a task order price adjustment provision specifying the method, rate, and timing of any task order price escalation as long as the Schedule contract rate is never exceeded. In the absence of such a provision, the contractor must request that the ordering Contracting Officer increase the prices via a task order modification.
	Trade Agreeme	ents Act (TAA)
	Provides for wa	iver of the Buy American Act
		d for World Trade Organization (WTO) countries, North Trade Agreement, Israeli Free Trade Agreements, etc.
		ated value of Schedule contracts exceeds the TAA thresholds, it ders placed against Schedules
	• FAR Subpart 25	5.4
	implements numero other trade initiative Because the estima threshold, the TAA	ents Act (19 U.S.C. 2501, et seq.) is the enabling statute that ous multilateral and bilateral international trade agreements and es between the United States and other designated countries. Ited dollar value of each Schedule exceeds the established TAA is applicable to all Schedules. In accordance with the TAA, lesignated country end products shall be offered and sold under state.

Topic 5: Meeting Agency Goals

Agency Goals

MAS schedules can help agencies meet their:

- · Socioeconomic goals
- Sustainability/Environmental goals

Socioeconomics

Every agency has negotiated annual socioeconomic goals with the Small Business Administration, i.e., a certain percentage of contract dollars must go to each type of small and disadvantaged business included in FAR Part 19 (small businesses, HUBzone businesses, women-owned, veteran-owned, etc.).

Sustainability

Sustainable means to create and maintain conditions, under which humans and nature can exist in productive harmony, that permit fulfilling the social, economic, and other requirements of present and future generations of Americans.

Socioeconomics: FAR Part 19

- FAR Part 19, Small Business Programs, applies to FSS contracts, but not orders
- Based on a recent change, small business set-asides are now allowed on an optional basis at the order level
- Exception to FAR 19 applicability at the order level: Bundling (FAR19.202-1(e)(1)(iii))

Meeting Agency Socioeconomic Goals

The mandatory preference programs of FAR Part 19, *Small Business Programs* (e.g., small business set-aside or HUBZone set-aside) generally do not apply. However, some entire Schedules and certain categories (SINs) within other Schedules have been set aside for small business. For example, *Schedule 736, Temporary and Administrative Staffing*, has been set-aside and only small business firms receive contracts under this Schedule.

Section 1331 of the Small Business Jobs Act of 2010 (SBJA) created a change effective November 2, 2011. Contracting Officers can now, **at their discretion**, set-aside orders and BPAs to small business or subset of small business (8.405-5(a)).

Notes	For orders exceeding the micro-purchase threshold, ordering activities should give preference to small business concerns when two or more contractors can satisfy the requirement at the same delivered price. (See FAR 8.405-5(c).)
	The socioeconomic status of Schedule contractors may be viewed at www.gsaelibrary.gsa.gov.
	MAS DESK REFERENCE For more information, refer to the MAS Desk Reference: Section 5.
	Socioeconomics: FAR 8.405
	FAR Subpart 8.4 allows for optional small business set-asides
	- Ordering procedures are outlined in 8.405-5
	- FAR 19 is not applicable to the MAS program
	Ordering activities should rely on the small business representations made by Schedule contractors at the contract level
	Agencies do not need to make a separate size determination at the order level, but GAO has upheld agencies' right to request a recertification at the order level (CMS Information Services Inc., B-290541, Aug. 7, 2002)
	Socioeconomics: FAR 8.405 If the order is not a set-aside, ordering activities should still promote small
	business programs:
	Agencies are encouraged to consider at least one small business prior to placing an order
	Agencies may establish evaluation criteria that gives preference to socioeconomic factors in their best value analysis
	• Agencies should give preference to small business when two or more are

FÆ	R	Part	8.405-5 Small business.	Notes
a)			gh the preference programs of part 19 are not mandatory in this subpart, in accordance ction 1331 of Public Law 111-240 (15 U.S.C. 644(r))—	
	(1)	Ora	ering activity Contracting Officers may, at their discretion—	
		(i)	Set aside orders for any of the small business concerns identified in 19.000(a)(3); and	
		(ii)	Set aside BPAs for any of the small business concerns identified in 19.000(a)(3).	
	(2)	Wh	en setting aside orders and BPAs-	
		(i)	Follow the ordering procedures for Federal Supply Schedules at 8.405-1, 8.405-2, and 8.405-3; and	
		(ii)	The specific small business program eligibility requirements identified in part 19 apply.	
(b)			placed against Schedule contracts may be credited toward the ordering activity's small ss goals. For purposes of reporting an order placed with a small business Schedule	
	со	ntra	ctor, an ordering agency may only take credit if the awardee meets a size standard that	
			nonds to the work performed. Ordering activities should rely on the small business entations made by Schedule contractors at the contract level.	
(c)	Or.	derii	ng activities may consider socioeconomic status when identifying contractor(s) for	
	coi	nside	eration or competition for award of an order or BPA. At a minimum, ordering activities	
	ser	rvice	consider, if available, at least one small business, veteran-owned small business, disabled veteran-owned small business, HUBZone small business, women-owned usiness, or small disadvantaged business Schedule contractor(s). GSAAdvantage!®	
	and	d Sc	hedules eLibrary at www.gsaelibrary.gsa.gov contain information on the small ss representations of Schedule contractors.	
(d)	Fo	r ord	lers exceeding the micro-purchase threshold, ordering activities should give preference	
			tems of small business concerns when two or more items at the same delivered price isfy the requirement.	
Εν	alu	atio	on Criteria	
			ring activity chooses not to conduct a set-aside, the contractor's	
			nomic status can be considered as part of the source selection criteria of an order or BPA.	
101	avv	aru	or all order or Br A.	

Notes	Socioeconomic Credit
	SBA policy allows agencies take credit for orders placed against GSA Schedule contracts
	GSA Advantage!® and GSA eLibrary contain information on supplies and services offered by small businesses
	- This information should be used as a tool to assist agencies in maximizing opportunities for small businesses
	Credits All socioeconomic credit applicable to Schedule orders is to be taken by the ordering activity. (Note: 8a credit is not applicable to GSA Schedule orders.) GSA does not take socioeconomic credit for orders placed against Schedules.
	Socioeconomic Credit
	Section 1331 of Small Business Jobs Act 2010
	FAQ concerning set-asides on Schedules
	- www.gsa.gov/portal/content/113371
	- www.gsa.gov/schedulesandsbgoals
	In an effort to expand small business opportunities in the federal marketplace, the President signed into law the Small Business Jobs Act of 2010 (Public Law 111-240). Section 1331 of the Small Business Jobs Act allows federal agencies to set aside, at their discretion, orders under General Services Administration's (GSA's) Multiple Award Schedule (MAS) and other multiple-award contract programs for small business concerns. These changes became effective on November 2, 2011.
	What was the previous rule for setting aside orders for small business concerns under the MAS program?
	While ordering agencies were always able to take credit toward their small business goals when awarding MAS orders to small businesses, there was no mechanism for setting aside orders for competition exclusively among small business MAS contractors. The Federal Acquisition Regulation (FAR) specifically stated that the preference programs of part 19 did not apply to the MAS program.

Some ordering agencies tried to "reserve" or "limit" MAS requirements for small businesses, but ordering agencies were required to provide the Request For Quotations (RFQ) to any MAS contractor that requested a copy. Furthermore, they also were required to evaluate all responses received using the evaluation criteria provided in the RFQ. In other words, even if an ordering agency indicated that it was reserving a MAS requirement for small businesses, it was required to evaluate offers submitted by others. Consequently, a "limitation" was not really a limitation.	Notes
How has this changed? The mandatory nature of the small business preference programs of FAR part 19 still do not apply to MAS orders. However, effective November 2, 2011, ordering agencies may, at their discretion, set aside orders for small business concerns, 8(a) business concerns, HUBZone small business concerns, service-disabled, veteran-owned small business concerns, economically-disadvantaged, women-owned small business concerns, and women-owned small business concerns, per FAR 8.405-5. Solicitations must specify if an order will be set-aside for small business concerns or one of the subtypes listed above. And, of course, such orders may still be credited toward the agency's small business goals. For purposes of reporting an order placed with a small business MAS contractor, an ordering agency may only take credit if the awardee meets a size standard that corresponds to the work performed. Ordering agencies may rely on the small business representations made by MAS contractors at the contract level.	
Must agencies prepare a limited sources justification when setting aside an order? No. Preparation of a limited sources justification is not required when setting aside an order for small business concerns.	
Under the 8(a), HUBZone, and Service-Disabled, Veteran-Owned Small Business Programs, agencies may make sole source awards. Does this mean that agencies can now make sole source awards to these firms under the MAS program?	
Section 1331 of the Small Business Jobs Act and the interim FAR only authorize use of small business set-asides, not small business sole sourcing. The rules for setting aside orders under the MAS program direct agencies to the competitive procedures of FAR 8.405-1, 8.405-2, and 8.405-3; any limiting of sources (e.g., sole sourcing) has to be authorized by the exceptions listed in FAR 8.405-6.	
What about establishing MAS BPAs? Ordering agencies may set aside the establishment of MAS BPAs for small business concerns as well per FAR 8.405-5(a)(1)(ii). As with orders, solicitations must specify if a BPA will be set aside for small business concerns.	

Notes	meet their not by conducting under the Sch sites. Both of agencies may request for in small busines it is feasible to ensure there a for the ordering and 8.405-3.	encies know if there are MAS small business concerns that can eed? g market research, agencies may view the size status of MAS contractors redule contracts through either the GSAAdvantage!® or the GSA eLibrary fer listings of MAS contractors for each Schedule and category, and search based on socioeconomic status. Agencies may also issue a formation (RFI) on eBuy to determine capability. By reviewing what MAS is concerns offer, agencies can make an informed decision about whether to set aside a specific order or BPA. Before setting aside an order or BPA, are enough MAS contractors capable of fulfilling the requirement in ordering activity to comply with the order procedures of FAR 8.405-1, 8.405-2,
		Required Clauses (as applicable)
	Clause	Title
	52.219-3	Notice of Total HUBZone Set-Aside or Sole Source Award (Nov-2011)
	52.219-6	Notice of Total Small Business Set-Aside (Nov-2011)
	52.219-13	Notice of Set-Aside of Orders (Nov-2011)
	52.219-14	Limitations on Subcontracting (Nov-2011)
	52.219-27	Notice of Total Service-Disabled, Veteran-Owned Small Business Set-Aside (Nov-2011)
	52.219-29	Notice of Total Set-Aside for Economically Disadvantaged Women-Owned Small Business (EDWOSB) Concerns (Nov-2011)
	52.219-30	Notice of Total Set-Aside for Women-Owned Small Business Concerns Eligible Under the Women-Owned Small Business Program (Nov-2011)
	What do we • "Green p products products • Federal ag certain pr • For examp	gency Goals: Going "Green" mean by "Green"? urchasing" or "sustainable acquisition" refers to purchasing with these attributes and purchasing services under which these will be supplied or used. gencies are required by statutes and executive orders to purchase oducts with specific environmental or energy attributes. ole, janitorial services contracts usually require the contractor to olacement paper towels, toilet paper, and plastic trash can liners,
	''' '	ch can be made from recycled materials.

Meeting Agency Sustainability Goals Federal agencies are required by statutes and executive orders to purchase certain products with specific environmental or energy attributes. E.O. 13423, Strengthening Federal Environmental, Energy, and Transportation Management, set acquisition-related goals for purchasing green products, alternative fuel vehicles, sustainable buildings, and green IT. E.O. 13514, Federal Leadership in Environmental, Energy, and Economic Performance, set a goal that 95% of contract actions must require green products. GSA is committed to provide world-class products and services that minimize harm to	Notes
the environment, safety, and health. GSA is greening the Multiple Award Schedules to add more green products and to limit certain products to green-only offerings, such as ENERGY STAR® appliances. GSA is living up to this commitment, not only in regards to the products and services we provide customers, but also in the way we conduct internal operations. Learn more at www.gsa.gov/gogreen.	
Explanation of the 95% Goal in E.O. 13514 Section 2(h) of E.O. 13514 requires agencies "to ensure that 95 percent of new contract actions including task and delivery orders, for products and services" include green product requirements "where such products and services meet agency performance requirements." What does this mean?	
The E.O. requirement does not apply to all contract actions. It applies to applicable contract actions. As explained over the next few pages, "applicable" contract actions are for the purchase of one or more products designated in the federal green purchasing program or for the purchase of services in which products will be supplied or used. The types of contract actions are:	
New contracts issued in the first quarter of FY 2011, including BPAs	
Solicitations for new contracts, even if the expected award will be in a subsequent quarter	
Modifications to existing contracts to add green product requirements	
Task orders under existing multi-year contracts	
Indefinite Delivery/Indefinite Quantity (IDIQ)	
Multiple Award Contracts	
Multiple Award Schedules	
❖ Requirements Contracts	

Notes **Environmental Program Scope** Recycled content products · Energy-efficient and water-efficient products - Standby power devices - EPEAT-registered products - WaterSense products - ENERGY STAR® and FEMP-designated products • Alternative fuel vehicles/hybrids/plug-ins/alternative fuels Biobased products • Environmentally preferable products and services · Non-ozone depleting substances **Purchases of Products** Purchases of any type of product listed on the GSA Green Products Compilation, including purchase card transactions, are considered to be "applicable." The products listed are those for which the U.S. Environmental Protection Agency (EPA), U.S. Department of Energy (DOE), or U.S. Department of Agriculture (USDA) have issued designations or otherwise provided guidance for product environmental or energy attributes. Note that it is not the intent of the compilation tool to list all environmentally sustainable products in the marketplace and that the green purchasing requirements apply only to the designated products. **Purchases of Services** Because products are supplied or used as part of services contracts, the green purchasing requirements also apply to the purchase of services. Per the Office of Management and Budget (OMB), purchases of any of the following services are considered to be "applicable" contract actions: Building construction, renovation, or repair Building operations and maintenance Landscaping services Pest management Electronic equipment, including leasing and maintenance Fleet maintenance Janitorial services Laundry services Cafeteria operations Meetings and conference services

In order to be compliant with the green purchasing requirements, contracts for these services must require the use of green products when any of the following products are part of the contract's scope of work:

- Notes
- EPA Comprehensive Procurement Guideline (CPG)-designated products
- ❖ ENERGY STAR®- or Federal Energy Management Program (FEMP)designated products
- Electronic Product Environmental Assessment Tool (EPEAT)-registered products
- USDA-designated Biopreferred/Biobased products
- EPA WaterSense or other water efficient products
- Non-ozone-depleting products or alternatives listed under the EPA SNAP Program (Significant New Alternatives Policy)
- Products containing non- or less toxic chemicals or containing alternatives to those on EPA's Priority Chemicals list
- Alternative fuel vehicles and alternate fuels
- Environmentally preferable products or services
- Products otherwise determined to be environmentally sustainable

For other services contracts, the use of recycled content paper should be considered. The preference is for all deliverables and administrative documents to be submitted electronically. However, should the contracting team determine paper is necessary, then the contract must require that paper deliverables and administrative documents be printed and copied two-sided on paper containing at least 30 percent postconsumer fiber.

NUTS AND BOLTS TIP



Agencies are required to purchase green products designated by the U.S. Environmental Protection Agency, Department of Energy, and Department of Agriculture. Rather than reviewing multiple web sites, you can find the designated products listed in the Green Products Compilation, www.gsa.gov/greenproductscompilation. The products are listed by category (e.g., office products, office electronics). GSA updates the Compilation quarterly.

Notes **Environmental Program Scope** (continued) Examples of environmentally preferable products are: Green cleaning products and services Cafeteriaware, especially biobased content products · Green meetings and conference services Building products Visit www.gsa.gov/gogreen for a full list of sustainable solutions. GSA: Strategically Sustainable GSA will eliminate its impact on the natural environment and use its government-wide influence to reduce the environmental impact of the federal government. - GSA Sustainability The agency unveils ambitious plan to reduce the environmental impact of the federal government and work to eliminate its own carbon footprint, itself the plan A PROVING GROUND FOR INNOVATION SUSTAINABLE SOLUTIONS FULFILLING THE PROMISE Leadership by example: GSA initiatives Opportunities for change available now: Learn how GSA is developing and are catalysts for change: Business Solutions for Sustainable evaluating green technologies and practices: News A Word About Labeling · Claims about environmental and energy attributes can be self-claims or verified

- claims; recycled content claims generally are self-claims
- ENERGY STAR® and EPEAT claims are verified by third party entities
- · Biobased claims are self-claims, but USDA recently issued regulations for use of a "USDA Certified Biobased" label
- Third party organizations develop standards for products, and some of them verify claims
- The Federal Trade Commission's Guides to Environmental Marketing Claims gives guidance to product vendors to help them avoid making misleading claims

Topic 6: Acquisition Life Cycle Overview

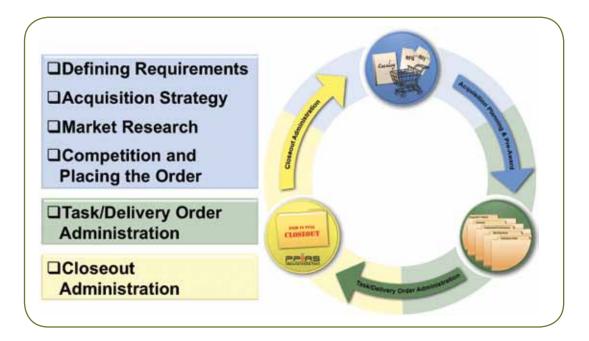
The Order Acquisition Life Cycle

The acquisition life cycle begins when an agency or organization discovers a need that cannot be fulfilled internally or through other government agencies. The need starts a three-phase cycle that broadly describes any type of purchasing activity.



Notes

Learning about the Acquisition Life Cycle



Acquisition Planning and Pre-Award: During this first phase, the program organization works with the Contracting Officer to identify the requirements for the purchase and to determine the most effective way to acquire the needed product or service. The Contracting Officer conducts market research to gain an understanding of the requirement itself, plus the costs and time commitment needed to fulfill the requirement and to identify suitable vendors.

Once the requirements are clearly defined, the Contracting Officer issues a Request for Quotation (RFQ) for the order. Contractors propose solutions and identify price, terms, and conditions. Quotes are reviewed, discussions occur, and the organization awards the order to the contractor offering the solution with the best value.

Task/Delivery Order Administration: During this second phase, the contractor fulfills the obligations of the order. The Contracting Officer monitors the progress against the order and pays the vendor for the supplies or services provided and accepted by the government.

Closeout Administration: Once the supplies or services have been provided, the final stage is to close out the order. The process includes confirming final acceptance, closing out the order, making final payments, and reporting on the vendor's performance. The assessment of contractor performance is critical to ensuring that future government buyers can adequately evaluate contractors during the source selection process; past performance information also helps GSA and other government agencies with market research during their acquisition planning processes.

Acquisition Life Cycle Roles

Notes

Acquisition Life Cycle Roles

The acquisition process involves three major roles:

- The GSA Schedule Contracting Officer is the Contracting Officer responsible for establishing and administering the GSA Schedule contract. This Contracting Officer works for GSA.
- The Ordering Activity Contracting Officer is the contacting officer responsible for purchasing supplies and services and administering orders against a GSA Schedule contract. This contacting officer places an order directly with the contractor using a Schedule contract. This Contracting Officer may also be known as the Schedule User.
- The **Contractor** is responsible for providing the product or service.

GSA Role in Establishing the Schedules



Notes	GSA Solicits Schedule Contract Offers The GSA Schedule Contracting Officer is responsible for soliciting offers from commercial sources capable of meeting Schedule requirements. The Contracting Officer prepares a solicitation under FAR Part 12 that must:
	Identify the Schedule and describe each SIN under that Schedule, along with an estimate of the total annual sales made by all Schedule contractors under each SIN
	Include the terms and conditions that will apply to contracts awarded under that Schedule. These terms and conditions are drawn from the relevant requirements of the Federal Acquisition Regulation (FAR), the General Services Administration Acquisition Regulation (GSAR), and good commercial practices.
	Instruct prospective offerors on what they need to do to submit responsive offers
	The GSA Schedule Contracting Officer then publicizes the solicitation so that interested sellers can find it. The Contracting Officer must publicize a Schedule solicitation using FedBizOpps and, when appropriate, may use additional methods to publicize the solicitation. GSA Schedule solicitations may be viewed at www.gsa.gov/schedulesolicitations.
<u> </u>	Offerors respond with offers. Prospective contractors may obtain copies of the solicitation from FedBizOpps and respond with offers that comply with the requirements established in the solicitation.

GSA reviews offers. The GSA Contracting Officer reviews each offer and prepares for any necessary negotiations. The evaluation must consider factors such as:	Notes
❖ Price reasonableness. Each Schedule will have multiple awards so the offerors are not competing with each other for a Schedule contract. Instead, the Contractin Officer must ensure that each offer's pricing is fair and reasonable based on the Contracting Officer's understanding of the market and the information submitted by the offeror. The pricing objective is to obtain pricing equal to or less than that offered to the offeror's Most Favored Customer (MFC). The resulting contracts are considered competitive because the pricing and supply descriptions are molded to the competition of the commercial marketplace.	e
• Offeror's responsibility. The GSA Schedule Contracting Officer must determine whether the offeror is a responsible prospective contractor (i.e., qualified and eligible to receive a contract award). The Contracting Officer will only award a Schedule contract to a responsible offeror. Refer to www.epls.go the Excluded Parties List System (EPLS).	
Estimated sales necessary to justify a Schedule contract award. The GSA Schedule Contracting Officer must use available information to evaluate estimated annual sales under the contract. Typically, a contract will not be awarded unless available information indicates that probable annual sales under the contract will exceed \$25,000 during the first two years and \$25,000 per year thereafter.	te
GSA and the offeror negotiate. If necessary, the GSA Schedule Contracting Office will initiate negotiations to obtain acceptable prices and/or resolve any other issues related to the proposal. Negotiations focus on pricing, terms, and conditions.	er
If an acceptable agreement can be reached, the GSA Contracting Officer will award a Schedule contract. If not, the offeror may withdraw its offer or the offer will be rejecte by the Contracting Officer.	
GSA awards a Schedule contract. The GSA Contracting Officer must ensure that the Schedule contract meets all the requirements of law and regulation. Before makin an award, the Contracting Officer must ensure that the following conditions are met:	
The offeror is responsible and technically qualified	
The pricing of the services or supplies examined by the Contracting Officer is fair and reasonable	
Agreement has been reached on all other contract terms and conditions	
 All necessary signatures have been obtained 	
The contract file is properly documented	
Any other necessary actions relating to the contract award have been completed, such as ensuring Trade Agreements Act (TAA) compliance	

Notes	Schedule users can be assured of the following:
	 All orders placed against Schedule contracts are considered competitive as long as FAR Subpart 8.4 procedures are followed. See FAR 8.404(a).
	◆ The contractor was considered responsible at time of contract award
	Prices for the services or supplies priced in the contract are considered fair and reasonable
	❖ Agreement has been reached on all Schedule contract terms and conditions
	GSA Responsibilities in the Order Acquisition Life Cycle
	Provide advice and support to Schedule users on:
	Strategies for acquisition planning
	Appropriate schedule use
	Schedule contract requirements
	Terms and conditions of the Schedule contract
	□ Ensure contractor compliance
	The GSA Contracting Officer administers the Schedule contract and provides advice and support to ordering activities, such as strategies for acquisition planning, guidance for appropriate Schedule use, information on Schedule contract requirements, help with terms and conditions of the Schedule contract, and assistant with contractor compliance.

Schedule Contractor Responsibilities in the Order Acquisition Life Cycle

- Comply with all Schedule contract terms and conditions
- Identify ordering activity requirements that can be met utilizing Schedule contracts
- Respond to ordering activity requirements
- Negotiate available solutions
- Maintain proper contract files and administer contract appropriately



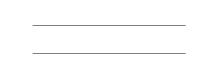
After Schedule contract award, the contractor must adhere to the Schedule contract requirements while marketing its products or services to ordering activities. The Schedule contractor must comply with all Schedule contract terms and conditions. For example, the Schedule contractor must:

- Submit required price list information
- Report quarterly sales
- Complete all administrative requirements at the end of the contract
- * Complete each order within the terms of the Schedule contract and the order itself

To be successful, the Schedule contractor needs to:

- Identify potential business opportunities
- Respond to ordering activity requirements in an effort to win orders. This may be as simple as providing price list and catalog information or it might require the Schedule contractor to respond to relatively complex Requests for Quote (RFQ).
- Negotiate with the ordering activity concerning the solutions available under the Schedule contract
- Maintain proper contract files and proper contract administration
- * Ensure items quoted are either line items in the Schedule contract or are identified as "open market items"

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Ordering Activity Responsibilities in the Order Acquisition Notes Life Cycle Plan for a Schedule order Identify and evaluate Schedule solutions Issue and document the Schedule order Administer the Schedule order Perform closeout duties When using a Schedule, the Contracting Officer benefits from all the work already done by GSA and the contractor. GSA has determined that the contractor is responsible and technically capable of performing the requirements of the contract, ensured pricing is fair and reasonable at the time of award, and received business size certifications and representations, and the required subcontracting plans for large businesses. Schedule users do not have to issue a complex solicitation or negotiate complex contract terms and conditions. Instead, Schedule users need only issue an order using the appropriate ordering procedures. Schedule users have the primary responsibility for awarding and administering Schedule orders. Schedule users must follow the requirements of the contract, FAR Subpart 8.4, and good business practices while planning for a Schedule order, identifying and evaluating solutions available under GSA Schedules, issuing and documenting a Schedule order, and administering the Schedule order.

Knowledge Check 1	Notes
An organization requires contracting support for a new system. What are the benefits	
of using a GSA Schedule contract?	
Answer:	
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Knowledge Check 2	
An organization requires contracting support for a new system. What are the characteristics of a GSA contract?	
Answer:	
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N Knowledge Check 2	
Knowledge Check 3 An organization requires contracting support for a new system. What parts of the FAR	
are relevant to GSA Schedule contracts?	
Answer:	-
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Notes	Lesson 2: Defining Requirements
	In this lesson, you will learn best practices in defining user needs. This will help ensure that the program office gets what it needs and that vendors will be able to compete in an equitable environment.
	Learning Objectives
	Identify characteristics of an effective requirements document
	 Distinguish between the use of a Statement of Work (SOW) and a Performance Work Statement (PWS)
	Identify thresholds for limited source justification
	Differentiate between requesting quotations when a statement of work is or is not required
	Recognize approval and competition requirements, to include applicable thresholds
	Lesson Topics
	Topic 1: Acquisition Planning
	Topic 2: Characteristics of an Effective Requirements Document
	Topic 3: Statement of Work and Request for Quote Requirements

Topic 1: Acquisition Planning

Acquisition Planning: Background and Objectives

- · Statement of need
- · Applicable conditions
- Independent Government Estimate (IGE)
- · Possibility of small business set-asides
- Capability or performance
- Delivery or performance period requirements
- Trade-offs
- Risks
- · Acquisition streamlining

After the ordering activity identifies what the requirements are for the acquisition, the next question the ordering activity must answer is how to acquire the product or service. This is known as the acquisition strategy or acquisition plan.

Acquisition Planning. Schedule orders are not exempt from the development of acquisition plans required by FAR Subpart 7.1 or an Information Technology Acquisition Strategy required by FAR Part 39. Therefore, any planning requirements that apply to an open market acquisition also apply to a Schedule order.

In order to facilitate attainment of the acquisition objectives, the plan must identify those milestones at which decisions should be made. The plan must address all the technical, business, management, and other significant considerations that will contro the acquisition. The length and depth of the acquisition plan should be commensurate with the size and complexity of the procurement.

FAR Subpart 7.1 recommends breaking the plan into two parts: Acquisition background and objectives and Plan of Action. Acquisition background and objectives includes the following, if they are relevant to the acquisition:

Statement of need. Introduce the plan by a brief statement of need. Summarize the technical and contractual history of the acquisition. Discuss feasible acquisition alternatives, the impact of prior acquisitions on those alternatives, and any related in-house effort.

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Notes	Applicable conditions. State all significant conditions affecting the acquisition, such as requirements for compatibility with existing or future systems or programs and any known cost, schedule, and capability or performance constraints.
	The Independent Government Estimate (IGE) is the government's estimate of the resources and their projected costs that a contractor would incur in the performance of a contract.
	Other parts of acquisition planning include:
	Capability or performance. Specify the required capabilities or performance characteristics of the supplies or the performance standards of the services being acquired and state how they are related to the need.
	Delivery or performance-period requirements. Describe the basis for establishing delivery or performance-period requirements. Explain and provide reasons for any urgency if it results in concurrency of development and production or constitutes justification for not providing for full and open competition.
	❖ Trade-off price and other factors. When it appears that other best value factors need to be considered, the Schedule user should decide what best value factors will be considered and how they will be considered. Evaluation factors should be selected because market research shows that they affect value to the government, and evaluation of those factors is likely to vary between Schedule contractors. When the Schedule user plans to trade-off price and other non-price factors, this decision may be made when establishing non-price factors that will contribute to a best value determination made during the requirements definition stage. These evaluation factors will be part of an RFQ, if issued, so the vendors know what is important to the government.
	❖ Risks. Discuss technical, cost, and schedule risks and describe what efforts are planned or underway to reduce risk and the consequences of failure to achieve goals. If concurrency of development and production is planned, discuss its effects on cost and schedule risks.
	Acquisition streamlining. If specifically designated by the requiring agency as a program subject to acquisition streamlining, discuss plans and procedures to:
	 Encourage industry participation by using draft RFQs, presolicitation conferences, and other means of stimulating industry involvement during design and development in recommending the most appropriate application and tailoring of contract requirements;
	Select and tailor only the necessary and cost-effective requirements; and
	State the timeframe for identifying which of those specifications and standards, originally provided for guidance only, will become mandatory.



NUTS AND BOLTS TIP

Acquisition Plans. GSA Schedule orders are not exempt from the development of Acquisition Plans, IAW FAR Subpart 7.1 or an Information Technology Acquisition Strategy plan IAW FAR Part 39. Therefore, any planning requirements that apply to open market acquisitions also apply to a Schedule order.

For Schedule orders in excess of \$500,000 a written determination shall be made that use of the MAS program is the best procurement approach, per FAR Part 17.502-1(a).

Notes

Acquisition Planning: Action Plan (1 of 3)

- Sources
- Competition
- · Major components or subsystems
- Source-selection procedures
- Acquisition considerations
- · Budgeting and funding

Sources. Market research will help the Contracting Officer learn whether items/ services can be acquired from required sources of supply, and use of eLibrary can help determine which vendors sell the needed supplies and/or services.

Competition. All Schedule orders over the micro-purchase threshold must be competed. Orders up to the SAT require consideration of at least three vendors before making a best value decision. Orders over the SAT must receive at least three written quotations in response to an RFQ. Use of eBuy will help ensure that the maximum number of vendors is notified of the acquisition. If fewer than three written quotations are received, the Contracting Officer must document the file as to what occurred and what can be done differently in the future to ensure competition.

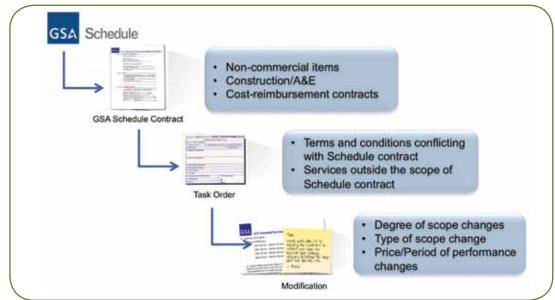
Major Components or Subsystems. Discuss component breakout plans relative to these major components or subsystems. Describe how competition will be sought, promoted, and sustained for these components or subsystems.

Notes	Source Selection Procedures. Guidance provided in FAR Subpart 8.4 suggests a best value source selection procedure works best, particularly when there are facets of the products or services (e.g., warranty issues) that may cost more but will provide greater value to the government. In other instances, paying the lowest price for acceptable items is the right technique. The acquisition plan should make clear which procedure will be used.					
	Acquisition Considerations. The proposed length of the order must be considered, including any option periods contemplated, along with any other special considerations and/or provisions will be included. If the order is for services and it will not be performance-based, a rationale must be provided.					
	Budgeting and Funding. Include information on the IGCE, how it was derived, and a statement regarding funding availability for the acquisition.					
	Acquisition Planning: Action Plan (2 of 3)					
	 Product or service descriptions Priorities, allocations, and allotments Contractor versus government performance Inherently governmental functions Management information requirements Make or buy Test and evaluation Cogistics Government-furnished property Environmental objectives Security Contract administration 					
	Product or service descriptions. Explain the choice of product/service description, such as a performance specification, that will be used in the acquisition. Priorities, allocations, and allotments. If a requirement is urgent, then a short performance or delivery schedule may be required, and certain funding allotments may be identified. Include a discussion of this issue if applicable. Contractor versus government performance. Discuss this issue in accordance with OMB Circular A-76 for service acquisitions. Inherently governmental functions. This topic is covered in FAR Subpart 7.5, which states that for service acquisitions, contractors cannot be used to perform duties that are inherently governmental. These duties include decision making, obligation of funds, determination of agency policy, the direction and control of federal employees, etc.					
						Management information requirements. If appropriate, discuss what type of management system will be used to monitor contractor performance. This typically applies to Earned Value Management Systems, which are not required to be used on Schedule buys under \$10 million for civilian agencies or \$30 million for DOD.

Make or buy. Though this is part of the acquisition plan content requirements, Schedules are for commercial items/services, and this issue is probably not pertinent. It generally applies to acquisitions in excess of \$12.5 million. See FAR 15.407-2.	Notes
Test and evaluation. Describe the testing and acceptance procedures that will be used.	
Logistics. Consider the delivery and maintenance capabilities of vendors who provide the products and/or services to ensure life cycle support is available.	
Government-furnished property. Any items or facilities that will be furnished to the awardee for performance of the order must be clearly identified. This directly impacts price.	
Government-furnished information. Discuss any information, drawings, manuals, etc., that will be provided to the awardee, including special handling requirements, if any, to protect the information.	
Environmental objectives. Discuss all applicable environmental and energy conservation objectives associated with the acquisition. This includes specifying the use of environmentally-friendly products.	
Security. Describe all pertinent security considerations for both information and personnel, including access to government information systems.	
Contract administration. Describe how the order or BPA will be administered,	
Acquisition Planning: Action Plan (3 of 3)	
Acquisition Planning: Action Plan (3 of 3)	
Acquisition Planning: Action Plan (3 of 3) Other considerations	
Acquisition Planning: Action Plan (3 of 3) Other considerations Milestones for the acquisition cycle	
Acquisition Planning: Action Plan (3 of 3) Other considerations Milestones for the acquisition cycle Identification of participants in acquisition plan preparation Other considerations. If applicable, discuss standardization considerations, Occupational Safety and Health Act (OSHA) considerations, the SAFETY Act, etc.	

Notes **Scope Determination Steps** Research Schedule and SIN descriptions on GSA e-Library Read scope pages in Schedule solicitations on FedBizOpps · Ask for scope review from GSA Schedule Contracting Officer GSA offers several options to help ordering activities determine whether the proposed work is in scope with MAS Schedules. The details of all the Schedules are available online. To find more information on Schedules and SINs, go to www.gsaelibrary.gsa.gov, then select the Schedule number (03FAC, 899, etc.) from the Quick Schedule pull-down menu in the upper right corner of the screen. The latest **FedBizOpps** RFP posting date displays after the Schedule name.

Out-of-Scope



The GSA Schedule contract defines the broad contract terms and conditions for contractors who want to perform work for the government through the MAS program. It also defines the contract terms and conditions between the GSA-approved contractors and the ordering activity. Schedule contracts may not be used for the purchase of non-commercial items, Architecture & Engineering (A&E) work, construction, or cost-type contracts.

Terms and conditions in task orders must not conflict with those in the GSA Schedule contract. Task orders may not be placed for services not already listed in the contract.

Notes		

Topic 2: Characteristics of an Effective Requirements Document

Purpose of a Requirements Document

- · Answer basic questions about proposed task order
- Serve as basis for a Request for Quote (RFQ)

What is the problem the agency needs to solve?

 What results/outcomes are needed?

 Will it meet the organizational and mission objectives?

A **requirements document** accurately describes the need or problem to be resolved through service contracting in a manner that ensures full understanding and responsive performance by contractors. A requirements document is generally prepared by the program office with input, as needed, from the contracting office and other organizational elements.

Describing a service in terms of how it supports mission-based performance goals (i.e., a performance-based approach) allows an agency to clearly establish the relationship of the task order to its business, and it sets the stage for creating performance goals with which both the contractor and the government can agree.

The focus is not what resources are required, but what outcome is required. Needs requirements are the first step in acquiring supplies or services because they explain what is needed and why. Needs requirements are often written into an RFQ as a Statement of Work (SOW), a Performance Work Statement (PWS), or Statement of Objectives (SOO). The latter two approaches will result in a performance-based acquisition.

Types of Requirements Documents

- Statement of Work (SOW) is a detailed description of the specific tasks or services a contractor is required to perform under a contract, including how they are to be performed.
- Performance Work Statement (PWS) is a "statement of work" for performance-based acquisitions (PBAs) that describes the tasks to be performed in order to achieve the required results.
- Statement of Objectives (SOO) is a high-level statement of need that describes the required outcomes/objectives. The solution is up to each quoter to describe.

An **SOW** is the portion of a contract which establishes and defines all non-specification requirements for the contractor's efforts, either directly or with the use of specific cited documents. It is the most prescriptive of the requirements documents, telling the prospective contractor what tasks need to be performed and how they are to be performed.

A **PWS** is used in performance-based acquisitions to describe the required results in clear, specific, and objective terms with measurable outcomes. The tasks to be performed are described, but not the way in which they must be performed – that is up to each contractor.

An **SOO** is a high-level statement of need or results sought that is incorporated into the RFQ and states the overall performance objectives. It is used in RFQs when the government intends to provide the maximum flexibility to each proposal to offer an innovative approach. Use of an SOO requires time built into the acquisition schedule to allow for a process called "due diligence," where vendors intending to submit quotations are invited to talk to the government team to ensure they understand what results the government wants and what issues are important.

More information will be provided on these three types of requirements documents in Topic 3 of this lesson.

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Notes	Considerations for an Effective Requirements Document			
	Define commercial items for acquisition			
	Identify Schedule for supplies or services			
	Make modifications to a requirements description after market research, if appropriate			
	Consider green purchasing policies and procedures			
	Limit use of brand name or equal descriptions			
	To generate an effective requirements document you must:			
	 Define commercial items for acquisition 			
	Identify Schedule supplies or services			
	Modify requirement description when appropriate			
	 Consider green purchasing policies and procedures 			
	Limit use of brand name restricted/constrained descriptions:			
	Use brand name descriptions only when the particular brand name, product, or feature is essential to the government's requirements			
	Only under the authority of an approved limited sources justification			
	Publicize use of the approved brand name descriptions via eBuy together with the RFQ			

Performance-Based Requirements

- Focus on what is to be achieved, not how it is to be done
- · Give contractors freedom to innovate
- Minimize micro-management



Performance-based acquisition (PBA) is an acquisition approach structured around the results to be achieved (the "what") as opposed to the manner (the "how") by which the work is to be performed.

For the past two decades, innovators in Congress and the executive branch have reformed the laws and policies that govern federal acquisition. Among the most important of these reforms are the *Government Performance and Results Act of 1993*, the *Federal Acquisition Streamlining Act of 1994 (FASA)*, and the *Clinger-Cohen Act of 1996*. All of these laws send an important message about performance in federal programs and acquisitions. These policies have been incorporated into FAR Subpart 37.6, *Performance-Based Acquisition*.

Keeping the requirements focused on the outcomes, rather than on the process, enables the government to receive more innovative, effective, and efficient solutions from contractors. Focusing on results also reduces the government's need to micromanage projects. Contractors have the responsibility to deliver products or services to meet quality, time, and scope requirements.

OFPP Policy Letter 92-1 mandated use of a performance-based approach when acquiring services, and established a goal for each fiscal year to have a certain percentage of eligible service contracts awarded using such an approach. All service acquisitions are "eligible" except architect and engineering services, constructions, and utilities. The current performance-based goal for most agencies is 50 percent of eligible service acquisitions, measured in dollars.

Notes **Key Elements of a Performance Work Statement** A statement of the required services in terms of output • Measurable performance standards for the outputs An acceptable quality level (AQL) or allowable error rate, when applicable Standard Outcome Measure The key elements of a performance work statement are: A statement of the required services in terms of output Measurable performance standards for the outputs An Acceptable Quality Level (AQL) or allowable error rate, when applicable An excellent resource for the performance-based approach is the online guide Seven Steps to Performance-Based Services Acquisition. This is the official governmentwide guide for PBA. Details and sample documents are available at the following website: www.acquisition.gov/comp/seven_steps/home.html. Identifying Needs for a Performance Work Statement Link acquisition to mission and performance objectives or tasks to be performed · Define (at a high level) desired results Decide what constitutes success • Determine the current level of performance Develop the Statement of Need The most important foundation for an acquisition is the intended effect of the contract in supporting and improving an agency's mission and performance goals and objectives. An agency should be able to demonstrate clearly how an individual acquisition's performance objectives will assist in achieving the agency's mission and goals. After linking the acquisition to the agency's mission needs, the thoughts of the Integrated Project Team (IPT) should turn to the desired results (outcomes) of contract performance. There are three significant questions to ask when defining the requirements: Where do I want to go? When must I arrive? How will I know when I get there?

Establishing a clear target for success enables the project team to design more focused acquisition documentation, the contractors to offer more specific and aligned solutions when competing, and the government-industry team to perform more effectively throughout contract performance.	Notes
The rationale behind determining the current level of performance is to establish the baseline for measuring future performance. The project team must determine the adequacy of the baseline data for the new contract, to ensure best results are achieved.	
Defining the need in a concise narrative statement serves multiple purposes for the acquisition:	
It allows an effective dialog to begin with the market research participants	
It conveys a clear message to those sources as to what the agency or organization is trying to accomplish	
It becomes the foundation for subsequently building the SOO or PWS once market research is complete	
It also sets the tone throughout the process for the team to focus on solving the problem from initial conception all the way through to the post-award Performance-Based Project Management (PBPM) environment	
It is extremely important to "get it right" at the start. While contractors can assist the government in many areas associated with acquiring goods or services, the government must be able to define its objectives. An effective requirements document will permit buyers to acquire an item or service that represents the best value to the government.	
DOD's Approach to Performance-Based Requirements Analysis The Guidebook for Performance-Based Services Acquisition (PBSA) in the Department of Defense calls the analysis that precedes the development of the performance work statement a "performance requirement analysis." It describes three "analysis-oriented steps" that are "top down" in nature.	
❖ Define the desired outcomes. List what needs to be accomplished in order to satisfy the overall requirement. Techniques: 1) Use an interview or brainstorming approach with the customer (user) to determine all interdependent variables (what, when, where, who, quantity, quality levels, etc.); or 2) Review previous requirements for validity and accuracy.	
Conduct an outcome analysis. Identify specific performance objectives for those outcomes defined in the previous step. Techniques: 1) Segregate desired outcomes into lower task levels and link those tasks together into a logical flow of activities; and/or 2) Use a tree diagram to outline each of the basic outcomes.	
Conduct a performance analysis. Identify how a performance objective should be measured and what performance standards are appropriate (including acceptable quality levels).	

Notes

Factors Affecting Best Value Determination



Once the technical requirements and performance outcomes are known, ordering activities can consider the factors that are most critical to arriving at the desired solution. In addition to price, these critical factors become the evaluation criteria when awarding orders. Because RFQs must include evaluation criteria, it is important that ordering activities consider these factors when determining requirements.

The benefits of making a best value selection decision can result in improved mission performance and lower life-cycle costs, while encouraging Schedule contractors to provide their best supplies and services to the government. Ordering activities should consider:

Item characteristics:

- Which commercial services/supplies match most closely with the identified activity requirement?
- Is there an apparent trade-off between service/supply features and price?

Past performance:

- Does available information indicate that Schedule contractors or other available sources have significantly different past performance records?
- Does available information indicate that specialized performance experience will significantly improve a contractor's chance of success in meeting the requirement?

*	W	arranty:	Notes
	*	Do Schedule contractors or other suppliers offer warranties?	
	*	Do available warranties protect customers from significant risk?	
	*	Are the warranties offered by Schedule contractors comparable to those offered by other sources in the market?	
	*	If warranties are offered, does the activity have the administrative tracking and logistics capabilities necessary to take advantage of them?	
*	0	wnership costs:	
	*	What installation costs are associated with the various supplies that meet identified requirements?	
	*	What is the reliability of the various supplies that meet identified requirements (e.g., average time between failures)?	
	*	What are the historical repair costs for the various supplies?	
	*	What are the historical routine maintenance costs for the various supplies?	
	*	What are the disposal costs associated with the various supplies?	
*	M	aintenance availability:	
	*	Is continuing maintenance required for the supply to meet activity requirements?	
	*	Do Schedule contractors or the suppliers provide maintenance for the identified supply?	
	*	Do Schedule contractors or other suppliers provide maintenance in the area(s) where the supply is most likely to be used?	
	*	If the Schedule contractor is not the original equipment manufacturer (OEM), is there an agreement in place that will ensure services provided by the Schedule contractor will not void the warranty?	
*	U	seful life:	
	*	How long are available supplies expected to remain useful?	
	*	Are there any significant differences in useful life between supplies?	

Notes .	Environmental and energy efficiency:
	Do supplies offered by Schedule contractors or other suppliers have significantly different percentages of recovered materials?
	Are some services or supplies environmentally preferable to others?
	Do available services or supplies generate hazardous waste?
	Do available services or supplies meet government-prescribed energy efficiency standards?
	Does information (e.g., the government-mandated energy use and efficiency labels on air conditioners and refrigerators) indicate that supplies have significantly different energy requirements?
	Technical qualifications:
	Are there significant differences in provider/supplier technical qualifications?
	If for services, is the proposed labor mix likely to result in successful performance?
	If the requirement is performance-based, has the contractor proposed appropriate performance standards and a quality assurance plan that measures the right things in order to ensure success?
	Are there unique or specialized qualifications required to meet the activity requirement?
	Are there any significant differences between the technical qualifications of Schedule contractors and other firms in the industry?
	Training and customer support issues:
	Is training or other customer support important to the user of the supply or service?
	Do Schedule contractors or other suppliers offer customers significantly different levels of training or other customer support?
	Transportation costs:
	If items are priced other than FOB destination, will the transportation cost be significantly different for shipments from different sellers?
*	Administrative costs:
	Will the administrative costs of contracting with one prospective contractor likely be different from contracting with another? In other words, will it cost more in time and/or money to contract with one seller than it will to contract with another?
	Will the administrative costs of contracting with a Schedule contractor likely be different from those associated with other commercial suppliers? (Normally administrative costs are much lower for Schedule orders.)

Delivery and performance terms:

- Can Schedule contractors meet activity delivery or performance requirements?
- Is the delivery or performance available from Schedule contractors significantly different from the delivery or performance available from other sources?



NUTS AND BOLTS TIP

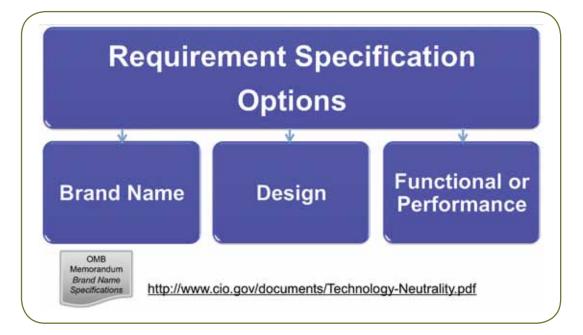
Meeting Special Requirements

An example of a requirements change consideration is if a requiring activity has requested a "desk, computer, 26" x 48", walnut." During market research, the purchaser could not find a firm that offers a walnut computer desk with a 26" x 48" work surface. However, the purchaser found several that offer walnut computer desks with a 30" x 48" work surface as well as a variety of other dimensions. The person responsible for acquiring the desk could get a local craftsman or even a large manufacturer to custom-build a desk with the required work surface dimensions, but the price would be substantially higher than the price for an off-the-shelf desk. If space or other factors do not preclude using a desk with a 30" depth, the best interest of the government would generally be served by modifying the requirement. It would likely be more advantageous to identify a range of acceptable sizes. However, if there are factors that make the 26" depth essential, the requirement should not be modified.

Notes		

Notes

Alternatives to Brand Name Usage



Describing Agency Needs and Alternatives to Brand Name Constraints

When creating requirements and writing contract specifications, it is important to strive to maintain vendor and technology neutrality to the maximum extent feasible. It is just as important to use performance or functional specifications whenever possible to encourage offerors to propose innovative solutions. There are, however, two significantly different circumstances recognized in the FAR in which the government's need cannot be adequately and completely described without some reference to a particular brand name product or feature of a product.

- 1. Brand Name or Equal Using a "Brand Name or Equal" purchase description is recognized as permissive of competition because it allows offerors to propose alternatives with supporting information that demonstrates their solution's equality. The specific features important to the government must be identified, such as compatibility with existing equipment.
- **2. Brand Name** This is not the preferred approach because it is the most restrictive in terms of competitive opportunities for innovative solutions. Thus, use of this approach is severely limited and requires the support of an approved limited sources justification and posting the justification when the order value exceeds \$25,000.

Additional ways to specify requirements are:

- Design specifications: Descriptions based on the product or application's requirements, size, standards, interoperability, or other traits defining how it works or how it is engineered.
- ❖ Performance or functional specifications: Descriptions based on required standards of what the product must do, or the way in which it must work.

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MAS DESK REFERENCE

For more information, refer to the MAS Desk Reference: Section 3.

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Limiting Sources (8.405-6)

Questions to Determine Competition Limitations

- Is the SOW or PWS narrowly defined with overly restrictive specifications or performance standards?
- Is the order written in such a way as to create a continuous arrangement with the same contractor?
- Does one of the conditions in FAR 8.405-6 apply and is the reason well documented?
- Is it a brand name or equivalent?
- What is the total dollar amount of the proposed acquisition?

Alternatives to Open Market Items in the Schedules Environment

Using Schedule items helps to minimize acquisition costs because the government has already vetted the contractor and determined the pricing to be fair and reasonable. Open market items require the Contracting Officer's administrative time and effort to make a fair and reasonable price evaluation, IAW FAR procedures.

Ordering activities have three options to avoid using open market items:

- Schedule contract modification: It is possible to modify the Schedule contract to add new items or labor categories in order to meet a specific agency requirement.
- Contractor Team Arrangements (CTAs) bring together multiple Schedule contractors as a team to provide a total solution for the requirement. For example, one team member might be on a Schedule to provide installation and consulting services for a specific type of equipment. Another Schedule contractor might be on a different Schedule to provide the equipment but not the installation. By teaming together these contractors could offer a single solution that avoids the need to search the open market. This approach benefits both contractors and the government. RFQs can state that the ordering activity will accept a teaming solution.

Notes	Government-Furnished Property (GFP)/Government-Furnished Equipment (GFE) includes facilities, equipment, material, supplies, or other services provided by the government for use by all prospective service providers in the solicitation.
	Questions to Determine Avoidable Competition Limitations (FAR 8.405-6)
	Is the SOW narrowly defined with overly restrictive specifications or performance standards?
	Is the order written in such a way as to create a continuous arrangement with the same contractor?
	Was the requirement obtained through the use of restricted competition not in accordance with the procedures in FAR 8.405-6?
	Is there a brand name constraint based on non-essential functionality or characteristics?
	Exceptions Allowing Limited Source Orders
	Essential to the government's requirements
	No other products meet the need
	Logical follow-on work to an original Schedule order
	Urgent and compelling need overrides ordering procedures delays
	While the use of performance specifications is preferred to encourage contractors to propose innovative solutions, the use of a brand name or equal purchase description may be advantageous when the salient features of the items are critical to fulfilling the agency's requirement.
	Purchasers should limit the use of brand name or equal purchase descriptions to situations where it is advantageous to the government. This situation is defined as when a "particular brand name, product or feature is essential to the government's requirements, and market research indicates other companies' similar products, or products lacking the particular feature, do not meet, or cannot be modified to meet, the agency's needs."

FAR 8.405-6 also allows the following instances when limited source acquisitions, with proper documentation and approvals, are permissible:

- Only one source is capable of responding due to the unique or specialized nature of the work
- The new work is a logical follow-on to an original Schedule order provided that the original order was placed IAW the applicable Schedules program ordering procedures and was not previously issued under sole source or limited source procedures
- ❖ An urgent and compelling need exists and following the prescribed Schedule ordering procedures would result in unacceptable delays

Limited Sources Justification Requirements

Threshold	LSJ Required	Posting Required
Exceeds SAT	Yes	Yes
Micro – SAT	Document Circumstances – not full blown LSJ	No
Below Micro-purchase	No	No

Posting requirements: Within 14 days after placing an order or establishing a BPA exceeding the simplified acquisition threshold that is supported by a limited-sources justification the ordering activity shall:

- Publish a notice in accordance with FAR Subpart 5.301 and
- Post the justification:
 - At www.fedbizopps.gov and
 - On the website of the ordering activity agency, which may provide access to the justification by linking to FedBizOpps and
 - For a minimum of 30 days.

Notes

Limited Sources Justification Requirements

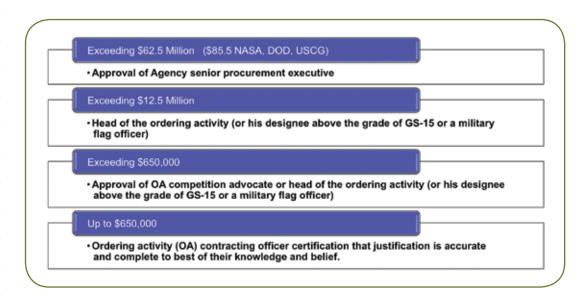
Brand Name (8.405-6(b))

Threshold	LSJ Required	Posting Required
Exceeds SAT	Yes	Yes – eBuy
\$25k – SAT	Document Circumstances – not full blown LSJ	Yes – eBuy
Micro – \$25k	Document Circumstances – not full blown LSJ	No
Below Micro-purchase	No	No

Posting requirements: The ordering activity shall post the following information along with the Request for Quotation (RFQ) to eBuy:

- For proposed orders or BPAs with an estimated value exceeding \$25,000, but not exceeding the simplified acquisition threshold, Contracting Officer shall document the file.
- For proposed orders or BPAs with an estimated value exceeding the simplified acquisition threshold, Limited Sources Justification.

Limited Source Justification Approval Requirements



Exception to Publication of Limited Source Justifications | Justification for limited source orders must be published with the RFQ on eBuy unless: |- Disclosure would compromise the national security or create other security risks |- Agency Senior Procurement Executive makes a written determination that access through eBuy is not in the government's interest |- The file size or format does not make it cost-effective or practicable for eBuy | IAW FAR 8.405-6(a)(2) the posting requirement does not apply when disclosure would compromise the national security or create other security risks. | Posting "Brand Name" Restricted RFQs and Limited Sources Justifications | | IAW FAR 8.405-6(b)(3), justifications for limited source orders or BPAs, when restricting to items "peculiar to one manufacturer" ("brand name" restriction) must be published together with the RFQ to eBuy unless:

The file size or format does not make it cost-effective or practical for Contracting Officers to provide access through eBuy
 The agency's Senior Procurement Executive makes a written determination that access through eBuy is not in the government's best interest

Disclosure would compromise the national security or create other

security risks

The justification or documentation for use of brand name must be completed and approved at time the requirement for brand name is determined – either at the order level or at a BPA level is the requirement is broad in scope. In addition, if an order uses brand name description and is placed under a BPA where a justification was not completed, one must be then prepared for the order.

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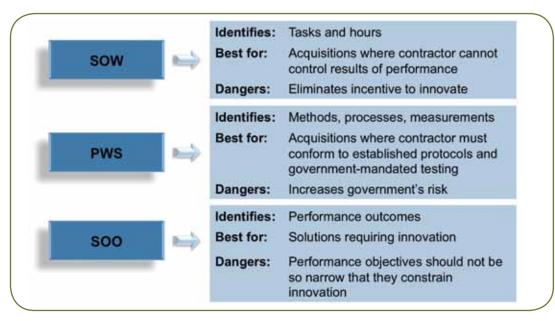
Topic 3: Statement of Work and Request for Quote Requirements

Statement of Work (SOW) Defined

- · Deliverable schedule
- · Applicable compliance requirements
- · Any special requirements
- · Work to be performed
- · Location of work
- · Period of performance

Sometimes also known as a "work statement," the SOW is a document that defines requirements in clear, concise language for the specific work to be accomplished. It must be individually tailored to consider the period of performance, deliverable items, if any, and the desired degree of performance.

Choosing Requirements Documents



An SOW should be used when the government wants the contractor to perform	
work exactly as specified. This is very important in some situations, and it will be up	
to the program office to decide that use of a prescriptive, restrictive description of	
requirements is the only acceptable approach.	

A PWS is used when acquiring performance-based services, and it provides an outline of the tasks that must be performed in order to achieve the desired results. Many program offices feel more comfortable with this approach than with the SOO approach, because they can include more specifics. The manner in which the work is performed is left up to the vendors, though they are told how their performance will be measured and analyzed.

An **SOO** is used when the government is looking for innovation and contractor expertise to achieve the desired results. The objectives or outcomes are stated, background information is given, and the vendors have a great deal of freedom to propose an approach that falls within the constraints stated by the government. Constraints can include funding, existing systems, information technology architectural requirements, security requirements, etc.

RFQ Content

Contractor Needs to Know	RFQ Component
What will the contractor do?	SOW/PWS
What does the government think is important for award?	Evaluation Factors
What does the government need to see?	Quote submission instructions
What other terms apply?	Non-conflicting terms
What Schedules and SINs are needed for the PWS?	SIN and Schedule numbers

The purpose of the RFQ is to provide potential contractors with a clear understanding of the requirement so they can present an accurate quote. Therefore, keeping the RFQ simple, avoiding acronyms, and writing in the active voice can make the quoting process easier for both the contractor and the ordering activity. When listing the evaluation factors in RFQs for Schedule orders, the ordering activity needs to include the major factors and their relative order of importance. It is a best practice not to include sub-factors.

If the ordering activity has determined that it is going to make socioeconomic status a primary evaluation factor, it must be clearly stated in the RFQ. If the ordering activity needs to add any additional terms and conditions, it must ensure that they do not conflict with those of the Schedule contract. It is not necessary to add new terms and conditions to a Schedule order.

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Notes **RFQ Components** Statement of Work (SOW) or Performance Work Statement (PWS) • Quality Assurance Surveillance Plan (QASP) if performance-based · Other relevant attachments - Special requirements - Evaluation criteria - Information and instructions for quoters The RFQ is comprised of the SOW, quote submission instructions, and evaluation criteria. Depending on the type of service sought, a QASP or other relevant documents might help contractors understand the scope of the work better and provide a more accurate quote. The ordering agency should identify any items attached to the RFQ. Ordering activities may prepare and post RFQs for specific products and services offered under GSA Schedules on www.ebuy.gsa.gov. FAR 8.405-2 requires that all SOWs for Schedule task orders include information on the following: Work to be performed/results sought Location of work Period of performance Deliverable schedule Applicable performance standards (if performance-based; otherwise, inspection and acceptance criteria) Any special requirements (e.g., security clearances, travel, special knowledge, agency-specific policies and procedures) MAS DESK REFERENCE For more information, refer to the MAS Desk Reference: Section 7.

RFQ Components: SOW/PWS Language Tips (1 of 2)

- Use simple words, phrases, and sentences
- Be concise, precise, and consistent
- Use active voice verbs
- Use "shall" or "must" when writing a requirement binding on the contractor
- Use "will" to indicate actions by the government
- · Use terminology consistently
- Avoid redundancy
- · Avoid vague or inexact phrases and generalizations

Many different people with different perspectives and life experiences read the SOW. Readers typically include government and industry contracting personnel, managers, technical experts, accountants, and lawyers. All these readers need to understand the SOW. Therefore, language selection is very important. It is the responsibility of the government to write a clear and concise SOW.

RFQ Components: SOW/PWS Language Tips (2 of 2)

- · Define technical terms
- · Avoid using government jargon
- Avoid using "any," "either," "and/or," etc.
- Spell out abbreviations or acronyms the first time they are used
- · Identify the date or version of any document referenced in the SOW
- · Advise readers from industry where they can obtain referenced documents

GSA provides sample SOWs at www.gsa.gov/sowlibrary.

Also see the MIL-HDBK-245D, Handbook for Preparation of Statement of Work, www.acquisition.gov/comp/seven_steps.

	Notes
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Notes	RFQ Components: Quality Assurance Surveillance Plan (QASP)
	Plan for monitoring performance against PWS requirements
	- Quality/Accuracy
	Quantity
	- Timeliness
	- Customer satisfaction
	Prepared in conjunction with PWS
	- (See FAR Subpart 46.4 for QASP requirements)
	When the acquisition is performance-based, the QASP describes how the government plans to determine whether the contractor is achieving the desired quality and/or service levels. When purchasers need a QASP, it should be prepared in conjunction with and included as part of the PWS/SOO, OR the government may ask Schedule contractors to submit a QASP as part of their quotation.
	Preparing the QASP may reveal a significant weakness in the PWS/SOO. It is easier to correct a weakness in the requirements document while it is being refined rather than after it has been approved or published. The QASP should focus on the quality, quantity, and timeliness requirements established in the PWS/SOO. Therefore, it is vital that the PWS/SOO requirements are measurable and that the procedures established in the QASP are adequate for that measurement.
	RFQ Components: Evaluation Criteria • Method of evaluation is determined by agency procedures: - Color
	- Adjectival
	Method of evaluating quotes for:
	Multiple items
	- Order options
	Significant factors to be considered in quote evaluation
	• Non-price factors evaluation

The RFQ should provide Schedule contractors with information on how the ordering Notes activity will evaluate quotes and award the orders. Method of evaluating quotes for multiple items. When an RFQ includes multiple items, it should state whether the Schedule user intends to: Issue a single order for all items Issue a single order or multiple orders by line item Use some other method for issuing orders based on the evaluation of the auotes received Method for evaluating quotes for order or BPA options. The RFQ should state how quotes for any RFQ options are to be evaluated. Options can be for additional quantities or for extensions to the period of performance. If there is a high probability that the Schedule user will exercise an option, it should be included in the evaluation. If there is a low probability that the option will be exercised, it should not be considered in the quote evaluation. Significant factors to be considered in quote evaluation. Identify all significant factors that the Schedule user will consider in selecting the contractor that provides the best value. The Schedule user must consider price and may consider: Past performance Technical qualifications Preference for the items of small business concerns when two or more items at the same delivered price will satisfy the requirement as indicated in FAR 8.405(c) Any other best value factors that represent the key areas of importance to be considered in the selection decision, and support meaningful comparison and discrimination between and among competing quotes **Evaluation factors other than price.** If the Schedule user is considering price and factors other than price, the RFQ should state the evaluation methodology of the identified evaluation factors. As a minimum, the RFQ should state the evaluation methodology used in selecting the contractor to receive the order and the rationale for any trade-offs in making the selection. (See FAR 8.405-2(d)&(e).) Ordering activities should make sure that contractor instructions provide sufficient information so that contractors will provide adequate information to evaluate quotes based on the identified factors. The RFQ should never require information if it is not needed or is already reasonably available. **NUTS AND BOLTS TIP** The procedures all federal agencies must use to ensure competition and best value source selection are discussed in FAR 8.405-2(d) and DFAR 208.405-70.

Notes	Knowledge Check 1
	Name factors other than price that would determine "Best Value."
	Answer:
	Knowledge Check 2
	Where in FAR are the ordering procedures outlined for purchasing products and
	services from a GSA Multiple Award Schedule?
	Answer:

Lesson 3: Market Research

In this lesson, you will learn about the benefits of market research to help create an equitable and competitive requirements document. Depending on how much time can be invested in market research, one can also learn about industry best practices, risks and problems and how to avoid them, etc.

Learning Objectives

- Identify market research information related to the decisions that the purchaser will need to make during the acquisition process
- ❖ Identify how eLibrary, GSA Advantage!®, and eBuy are used as sources for market information

Lesson Topics

- Topic 1: Market Research Overview
- Topic 2: Sources for Market Research

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Topic 1: Market Research Overview	
Market Research	
Process of collecting and analyzing information to beconsumer	ome an educated
Market research is integral to acquisition planning	
- Research details determined by:	
- Availability of service or product	
- Order complexity	
- Order dollar value	
New or recurring requirement or enhancement	
- Industry sector involved	
Market research is the process of collecting and analyzing in educated consumer. The more you understand the product acquired in the commercial marketplace, the better equippe the acquisition.	or service and how it is
All acquisitions begin with planning. Part of the planning process vary with e	-
Factors that must be addressed to begin market research in	clude:
Availability of the service or product in the commercial	ial marketplace
Complexity of the order – can it be fulfilled by a single	e vendor?
◆ Dollar value of the order – what will the competition r	equirements be?
Nature of the order (whether it is a new or recurring renhancement)	equirement, or an
 Industry sector involved in the order 	

Purposes of Market Research Notes Purpose: to find the most suitable approach to acquiring, distributing, and supporting supplies and services for agency needs • Determine adequacy of: - Any commercial products/services for the need - GSA Schedule sources if commercially available - Support practices for the agency's need • Determine potential for inclusion of commercial or non-developmental items • Ensure maximum practicable use of recovered materials, energy conservation, and efficiency The primary purposes of market research are to: Determine if commercial sources can adequately fulfill the activity's requirements Determine if GSA Schedule sources can adequately fulfill the activity's requirements Determine the extent to which commercial items or non-developmental items can be incorporated at the component level ❖ Determine whether sufficient small business sources exist to potentially set aside the order Determine the practices of firms engaged in fulfilling the requirement, including warranties, maintenance, packaging, and marking Ensure the maximum practicable use of recovered materials and promote energy conservation and efficiency Determine whether bundling is necessary and justified The ultimate goal is for the ordering activity personnel to become educated consumers. Market Research Addresses Requirements • Understand requirement completely – in terms of the end result or objective · Ask form, fit, and function questions • Determine salient characteristics and sustainability requirements

Before you can begin your market research, you must have a firm grasp of your agency

or end-user requirements.

Notes	Having strong clarity about the desired product and/or service includes understanding:
	Form: What should it look like?
	Fit: Is there a specific size, for example?
	❖ Function: What does this product/service do or need to provide? What result is needed?
	The answers to these types of questions are the least amount of information any procurement official needs prior to beginning any sound market research. This information must be developed prior to market research for best efficiency. The above questions will assist in determining what the supply or service's salient characteristics are. "Salient" means remarkable, notable, prominent, striking, conspicuous – knowing salient characteristics prior to beginning market research aids greatly in the "refine search" feature of GSAAdvantage!®.
	Market Research Goals
	Market research involves:
	Collecting and analyzing market capability information
	• Identifying the:
	- True needs of activity
	- Marketplace availability
	- Most suitable approach for:
	• Acquisition
	• Distribution
	• Support
	Market research seeks to collect and analyze information about the capability of the market to fulfill a purchasing requirement. This includes identifying:
	 True needs of the activity – this requires an analysis of the outcomes required, versus specifying what the government wants the contractor to do.
	Availability of the product or service in question
	Important tertiary concerns, including how the product/service can be acquired; how product can be distributed; and what types of support are offered (on-site, off-site, mail-in)

Market Research Requirements

- Market research is the cornerstone for compliance with requirements for competition for orders exceeding the SAT
- Market research helps justify and document the basis to use the Schedule program (interagency) as the best procurement vehicle when the order exceeds \$500,000 (FAR 17.502)
- Contracting Officers must identify Schedule contractors capable of performing as required
- Market research is required to ensure at least three quotes will be received

Market research is the cornerstone to compliance with FAR Subpart 8.4 (for orders exceeding the SAT) and DFARS 208.405-70. Contracting Officers must identify which Schedule contractors are capable of performing the required work. Market research is conducted to verify how many Schedule contractors are interested in the opportunity and to determine about how many are likely to respond.

It is important to record the number of vendors available per SIN in the acquisition plan under market research documentation. The Contracting Officer must, at a minimum, review the Schedule contracts to determine which Schedule contractors are capable of performing the required work.

Market Research Guidelines. For orders exceeding the simplified acquisition threshold placed against Schedule contracts, the Contracting Officer has two options:

- Issue a draft RFQ to learn which objectives are achievable and which vendors can provide solutions
- Use eLibrary to find out which vendors provide the supplies/services required
- Issue the notice to as many Schedule contractors as practicable, consistent with market research appropriate to the circumstances, and to reasonably ensure that quotes will be received from at least three Schedule contractors who are capable of doing the work
- Notify all Schedule contractors (for the applicable SINs) who can provide the required work by posting the RFQ on eBuy or by using another suitable mechanism to "push" the notification to Schedule contractors

When fewer than three responses are received. The Contracting Officer may place the order, provided the Contracting Officer determines in writing that no additional contractors could be identified who can fulfill the requirement despite reasonable efforts to do so.

Note that if the Contracting Officer cannot document that sufficient market research was conducted to identify potential Schedule contractors capable of performing the work, and sufficient Schedule contractors were notified, the RFQ must be re-issued.

Notes

Examples of Market Research Data



Non-Price Evaluation Factors. Factors in addition to price that can be considered in market research should vary depending on the acquisition situation. Price is an important factor in market analysis, but the lowest price is not always the best value. Non-price evaluation factors include those listed below.

Factors Affecting Best Value Determination (FAR 8.405)

- Training and customer support
- Technical qualifications
- Environmental and energy efficiency
- · Useful life
- · Maintenance availability
- Total cost of ownership
- Warranty
- Past performance and/or experience
- · Service/supply characteristics
- Delivery/performance
- · Administrative costs
- Transportation costs
- Price
- · Socioeconomic status

Topic 2: Sources for Market Research

Market Research Addresses Requirements

- · GSA eLibrary
- GSA Advantage!®
- · Green Purchasing Info (Comprehensive Procurement Guidelines) - Trade journals, catalogs
- PPIRS
- RFIs on eBuy

- · General information
 - BLS, PPI and CPI
 - IHS Global

 - FAR Contract Pricing Reference Guide
 - Marketips magazine
- · Recent similar acquisitions

GSA eTools and other resources:

- GSA eLibrary www.gsaelibrary.gsa.gov
- GSAAdvantage!® www.gsaadvantage.gov
- Green purchasing information www.gsa.gov/gogreen
- PPIRS www.ppirs.gov
- Requests for Information (RFIs) on eBuy www.ebuy.gsa.gov



MAS DESK REFERENCE

For more Sustainability, refer to the MAS Desk Reference: Section 10 eTools.

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Notes

eTools

- Search
- Review
- Place order

GSA Advantage!®

www.gsaadvantage.gov

View history

GSA Advantage!® – An online shopping service through which ordering activities may place orders against the Schedules using the governmentwide purchase card.

GSA Advantage!® is an online catalog, information, and ordering system. The system gives authorized customers the ability to search, identify, compare, and order Schedule items that offer the best value to the government. By using GSA Advantage!® the user can search through the millions of supplies and services that are available under Schedule contracts and it is the first stop for commodity purchases. When beginning any commodity procurement research, the first market research tool suggested is a simple search for the product under GSA Advantage!®.



NUTS AND BOLTS TIP

No registration is required to use GSA Advantage!® or eLibrary for market research.

eTools

- · Schedules listings
- Descriptions
- Clauses
- · Contractor details



www.gsaelibrary.gsa.gov

EPLS status

eLibrary – The official online source for complete GSA and VA Schedules information – a great market research tool.

GSA eLibrary provides access to information on millions of supplies and services. It is the official online source for complete GSA and VA Schedules contract award information. GSA eLibrary is a centralized source for researching Schedules that include:

- Basic ordering guidelines
- Complete Schedule listings

- Powerful search engine
- Vendor socioeconomic status

GSA eLibrary enables you to search which suppliers have a contract and what is currently available. Searches can be conducted using various search options, e.g., Schedule contractor's name, contract number, SIN, Schedule number or keyword. GSA eLibrary provides links to GSA Advantage!® and GSA eBuy for ordering agencies and provides direct access to contractor websites and e-mail addresses.

eTools

- Post requirements
- Issue RFI/RFQ
- · Notification of award



www.ebuy.gsa.gov

eBuy – An online RFQ system that allows ordering activities to post requirements, obtain quotes, and issue orders.

eBuy, GSA's electronic Request for Quotation (RFQ) system, streamlines the buying process with point and click functionality by allowing RFQs and RFIs (Request for Information) to be exchanged between federal buyers and Schedule contractors. Use of eBuy increases competition in federal contracting through its transparency feature – allowing maximum exposure to all vendors within a specific SIN. eBuy greatly supports civilian and DOD goals of increased competition in contracting.

Market research may be facilitated using eBuy to distribute an RFI to Schedule contractors. Using an RFI via eBuy may produce valuable feedback from potential Schedule contractors on how to best tailor the acquisition and how to best utilize Schedule sources. RFIs should be clearly identified as such, and include a statement such as: "This is a request for information only. No award will be made as a result of this request."

Issuing an RFQ via eBuy allows ordering activities to post requirements, obtain quotes, and award orders electronically.



NUTS AND BOLTS TIP

Note: IAW with DFARS PGI 208.405-70, posting of a request for quotation on eBuy is one medium for providing fair notice to all contractors as required by FAR 8.405 and DFARS 208.405-70(c)(2).

esson 3: I	Market	Research	1 91

Notes **Green Purchasing Information** • EPA Wastes-Resource Conservation-Comprehensive Procurement Guidelines (CPG) provide guidelines and sources that meet them GSA Environmental Products Overview offers environmentally friendly products and services • GSAAdvantage!® identifies items that meet established environmental guidelines The Environmental Protection Agency (EPA) "Wastes - Resource Conservation -Comprehensive Procurement Guidelines (CPG)" provides specific item guidelines and identifies sources that meet those guidelines. (See www.epa.gov/cpg.) The GSA Environmental Products Overview Web page (www.gsa.gov/enviro) offers a variety of environmental products and services to federal customers to assist in their efforts to comply with procurement responsibilities outlined in federal environmental laws and regulations. Suggested "green solutions" for products, services, vehicles and tools can be reviewed at www.gsa.gov/gogreen. GSAAdvantage/® identifies items that meet established environmental guidelines. EPA, DOE, and USDA provide information about the green products designated in the recycled content, ENERGY STAR®, biobased, and other green product programs. The Green Products Compilation provides the content recommendations from this programs and links to the URLs for the specific programs (See www.gsa.gov/greenproductscompilation). MAS DESK REFERENCE For more Sustainability, refer to the MAS Desk Reference: Section 5.

Past Performance Information Retrieval System (PPIRS)

- Provides information on contractor past performance
- Two components:
 - Report Card (RC) for large dollar value
 - Statistical Reporting (SR) for lower dollar value
- Supports FAR requirements to consider past performance

PPIRS is a Web-enabled, enterprise application that provides timely and pertinent contractor past performance information to the federal acquisition community for use in making source selection decisions. PPIRS assists acquisition officials by serving as the single source for contractor past performance data. (See www.ppirs.gov.)

Confidence in a prospective contractor's ability to satisfactorily perform contract requirements is an important factor in making best value decisions in the acquisition of products and services. PPIRS consists of two components; Report Card (RC) for large dollar value contracts and Statistical Reporting (SR) for lower dollar value contracts. Both components support the FAR requirement to consider past performance information prior to making a contract award (FAR Parts 15, 36 and 42).

RFI versus RFQ

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RFI	RFQ
Used for identifying sources	Known sources exist
A means of obtaining and collecting	Precise specifications exist (or, if
information about capabilities within the	performance-based, clear objectives have
market to satisfy contract needs	been defined)
Industry feedback helps develop	Evaluation criteria have been developed
evaluation criteria	
Used for the exchange of information with	Information exchanges are limited
industry prior to the issuance of an RFQ	

What are the differences between an RFI and RFQ?

An RFI is similar to a "Sources Sought" synopsis on FedBizOpps, except only GSA Schedule holders can view it. Issuing an RFI can help gather information on potential vendor sources, pricing, availability, and alternative strategies. In addition, by using an RFI, you will be able to determine (1) if the product or service is a "commercial item," and (2) if there is adequate competition available through the GSA Schedules program by the number of positive responses/sources identified. GSA believes the RFI to be a "Best Practice" to facilitate market research, which can produce valuable feedback from potential Schedule vendors on how to best tailor the acquisition and how to best utilize Schedule sources.

An RFQ is appropriate when you are familiar with your requirements, and have knowledge that competition requirements will be met or exceeded within the MAS program.

Notes	General Information Sources – Journals and Catalogs
	Advertisements provide service/product descriptions
	Journal articles provide analysis of service/product capabilities
	Service- or product-specific brochures have detailed information (for products try the Thomas Register at www.thomasnet.com)
	• MarkeTips www.gsa.gov/cmls
	MarkeTips is a publication of GSA's Federal Acquisition Service, produced quarterly. It provides information on doing business with GSA and its suppliers. The publication profiles GSA customers and partnerships. MarkeTips highlights procurement, supply, property management, travel, and transportation information. (See www.gsa.gov/cmls for more information).
	What GSA system is used for posting RFIs and RFQs?
	Answer:
	—— Knowledge Check 2
	List sources for Market Research.
	Answer:

Lesson 4: Acquisition Strategy, Competition, and Order Placement

Notes

In this lesson, you will learn the procedures for placing orders against the Schedule contracts, including the competition requirements, the flexibilities allowed by the Schedules, and the additional requirements involved when using a Statement of Work (SOW)/Performance Work Statement (PWS)/Statement of Objectives (SOO). You will also learn how to place a Blanket Purchase Agreement (BPA) based upon one or more Schedule contracts, and the differences between placing an order and awarding a BPA.

Learning Objectives

- Identify Schedule procedures
- Identify the benefits of Contractor Team Arrangements (CTAs)
- Identify the benefits of Schedule Blanket Purchase Agreements (BPAs)
- Identify strategies for open market items
- Identify evaluation criteria
- Distinguish between ordering procedures for supplies or services not requiring an SOW and those requiring an SOW
- Identify order placement, to include ordering procedures for a Schedule BPA

Lesson Topics

- Topic 1: Schedule Procedures
- Topic 2: Schedule Flexibilities
- ❖ Topic 3: Other Direct Costs
- Topic 4: The Evaluation Process
- Topic 5: Order Placement

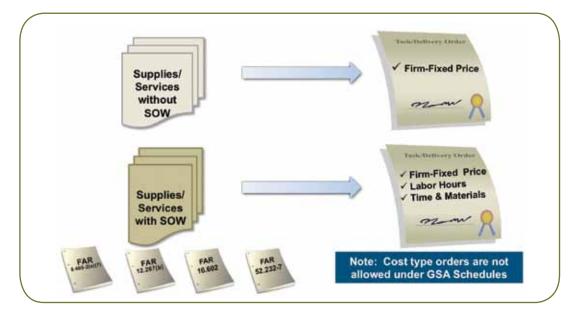
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Notes	Topic 1: Schedule Procedures
	GSA Schedules Conform with Competitive Contracting
	Schedule users shall not :
	Seek further competition outside of the MAS program
	• Synopsize the requirement
	Ordering Procedures – FAR 8.405-1
	When ordering supplies or fixed-price services w/out SOW
	Exceeds SAT
	 Develop RFQ Receive ≥ 3 quotes, use eBuy, or follow procedure for limiting sources Seek price reduction May not place orders orally Select best value quote
	Below SAT – above Micro
	 Survey ≥ 3 contractors or follow procedures for limiting sources Determine if a price reduction should be sought Select best value quote
	Below Micro
	Place order with contractor Distribute orders among contractors
	When is an SOW not Required?
	According to FAR 8.405-1, when acquiring fixed-price services or supplies through GSA Schedules, an SOW is not required when the dollar value of the order or BPA:
	 Is at or below the micro-purchase threshold. You may place the order directly with the selected vendor. FAR procedures for acquisitions at or below the micro-purchase threshold emphasize simplicity and fair treatment. Supporting documentation, including extensive information, collection, and evaluation, is not required. However, the Schedule user should attempt to distribute orders among Schedule contractors.

threshold. Y	e micro-purchase threshold, but not the simplified acquisition ou should obtain at least three (3) quotes (always documenting your and select the best value quote).	Notes
	least three Schedule contractors, considering price and other best value factors.	
	ordering from contractors who help you meet your agency's nomic goals.	
informati When usi	FQ only if it is the most efficient method for gathering the on needed to evaluate solutions available under GSA Schedules. ng an RFQ, the Schedule user must provide the RFQ, including the criteria, to any contractor under the appropriate Schedule who a copy.	
The Sche	dule user should seek a price reduction when:	
	research reveals that the supply or service is available elsewhere es lower than those available from Schedule contractors.	
recurri	chedule contractor has been or will be selected to provide ng requirements and the size of the recurring orders appears to	
Market	price reduction. research identifies other information indicating that a price ion is appropriate.	
The ordering and select th may still be p quotations a document the	e Simplified Acquisition Threshold, or when establishing a BPA. activity shall seek a price reduction, survey more than three contractors, as best value quote. If further price reductions are not offered, an order laced. eBuy shall be used as one method to ensure at least three written re received. If fewer than three are received, the Contracting Officer must be file as to the actions taken to ensure competitive quotations, and what in future acquisitions to enhance competition.	
	NUTS AND BOLTS TIP	
	Schedule contractors are not required to pass on to all GSA Schedule users a one-time spot price reduction provided to a single agency.	
	NUTS AND BOLTS TIP	
10	FAR 9.405-1(b) prohibits ordering from any Schedule contractor who is debarred, suspended, or proposed for debarment unless the agency head makes a written determination of the compelling reasons for such action.	
www.gsaelibrary.g www.epls.gov) to c	an review the contractor's information page in GSA eLibrary sa.gov) or the Excluded Parties List System (EPLS) letermine whether the prospective contractor is debarred, used for debarment	

Notes Ordering Procedures - FAR 8.405-2 When ordering services requiring an SOW Exceeds SAT · Create SOW and evaluation criteria Receive ≥ 3 quotes · Post on eBuy, or solicit sufficient sources to ensure receipt of three quotes or follow procedure for limiting sources · Seek price reduction · Select best value quote May not place orders orally Below SAT - above Micro · Create SOW and evaluation criteria Issue RFQ to ≥ 3 contractors, or follow procedures for limiting sources · Distribute orders among contractors Select best value quote Below Micro (No Change from 8.405-1 Procedures) · Place order with contractor · Distribute orders among contractors When is an SOW Required? For services offered in Schedule contracts at hourly rates, Schedule users must create Requests for Quotations (RFQs) and include the SOW and evaluation criteria to Schedule contractors who offer services that will meet the agency's needs. The SOW and RFQ requirements differ by dollar value. The RFQ may be posted through eBuy. If an order requires an SOW, the first step in the decision process is to review the quotes. The price quote review focuses on the quality of the vendor's capabilities or products, the proposed solution, the prices, and any other pre-determined evaluation criteria. If an SOW/PWS/SOO is not required, the first step is to compare prices from appropriate Schedule contractors. If the order requires an SOW/PWS/SOO, the ordering activity has the option to ask quoters to give oral presentations after quotation submission. The oral presentations can help the ordering activity clarify details, become acquainted with the contractors' personnel, and provide additional comparison points for decision making. After comparing prices and other factors, the ordering activity chooses the contractor who can provide the best value to the government.

Schedule Order Types



Pricing Arrangements

Orders for supplies or services not requiring an SOW/PWS must be Firm Fixed Price (FFP). (See FAR 8.405-1(a).) Orders for services requiring an SOW/PWS may use one or a combination of the following pricing arrangements:

- Firm Fixed Price (FFP)
- Labor Hour (LH)
- Time and Materials (T&M)

FFP is the preferred pricing structure and its use is required to the maximum extent practicable (See FAR 8.404(h)(2).) A LH or T&M type can only be used when it's not possible at time of order placement to accurately define the extent or duration of the work or accurately estimate the cost. The Contracting Officer must execute a Determination & Finding (D&F) establishing that no other contract type is suitable and the order must contain a ceiling price that the contractor exceeds at their own risk prior to placement.

For BPAs for hourly rate services, the ordering activity must develop an SOW/PWS for the requirements covered by the BPA. All orders under the BPA must specify a fixed price for the performance of the tasks identified in the SOW/PWS.



MAS DESK REFERENCE

For more information, refer to the *MAS Desk Reference:* Section 5.

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Notes Cautions for Level of Effort Task Orders Requires greater surveillance effort Works best when duration and extent of work cannot be estimated · Requires additional approvals Includes ceiling prices LH and T&M orders are collectively known as Level of Effort (LOE) orders because the costs are based on hours worked, rather than on a set price. LH and T&M orders require more surveillance and control than FFP because ordering activities need to confirm that hours claimed match hours worked and that the percent of budget consumed matches the percent of work completed. Otherwise, costs can quickly exceed budget. LOE orders are most useful when the duration and extent of the work cannot be adequately predicted or described during the acquisition process. FAR 8.404(h)(3)(ii)(A) requires that the Contracting Officer execute a D&F for the contract that states that no other contract type is suitable. At a minimum, the D&F must: Include a description of the market research conducted. Establish that it is not possible at the time of placing the contract or order to accurately estimate the extent or duration of the work or to anticipate costs with any reasonable degree of certainty. Establish that the requirement has been structured to maximize the use of fixedprice orders (e.g., by limiting the value or length of the LH and T&M contract or order, or establishing fixed prices for portions of the requirement) on future acquisitions for the same or similar requirements. Describe actions planned to maximize the use of fixed price on future acquisitions for the same requirements. If the order is expected to last beyond three years, the D&F must be approved by the head of the contracting activity prior to the execution of the base period. To limit the government's exposure, LH/T&M orders must include a ceiling price. If the contractor exceeds the limit, the government is not liable for those costs. In essence, the ceiling price gives the contractor a reason to participate in monitoring costs accurately.

Performance Incentives

Performance incentives can be effective in certain situations:

- Use an incentive if it is critical that the contractor perform at a high level
- If performance is not very critical, it is not beneficial to use incentives.

When appropriate, a Schedule user can use performance incentives to give the contractor reason to provide superior quality performance, or earlier delivery/completion. Whenever practicable, the Schedule user should design incentives tied to the contractor's achievement of an objective performance measurement (e.g., the percentage of on-time deliveries). For example, in a performance-based service contract, the Quality Assurance Surveillance Plan (QASP) might identify an Acceptable Quality Level (AQL) of 97 percent on-time performance and provide a price incentive if the contractor performs on time at 99 percent of the time. If that additional 2% does not add value to the program, no incentive should be offered.

A Schedule user should consider establishing price incentives when performance is critical to the activity's mission and market research indicates that incentives are likely to motivate the contractor.



NUTS AND BOLTS TIP

When offering priced incentives to contractors, funding for incentive fees must be available at the time of order placement, and should appear on the order as a separate line item.

Bundling

- Bundling: Consolidation of two or more requirements for supplies or services, previously provided or performed under separate smaller contracts, into a solicitation for a single contract
- Bundling provisions in FAR 19.202 apply to GSA Schedule orders

If acquisition planning for any order involves bundling, the Schedule user must comply with all FAR requirements for a bundled contract. Refer to FAR 7.105, 7.107, and agency guidelines related to bundling.

Lesson 4: Acquisition	Strategy, Competition	. and Order Placement	l 101

Bundling is consolidating two or more requirements for supplies or services, previously provided or performed under separate smaller contracts, into a solicitation for a single order or BPA that is likely to be unsuitable for award to a small business concern due to the diversity, size, or specialized nature of the elements of the performance specified; the aggregate dollar value of the anticipated award; the geographical dispersion of the performance sites; or any combination of these factors.		
"Separate smaller contract," as used in this definition, means a contract/order/BPA that has been performed by one or more small business concerns, or that was suitable for award to one or more small business concerns. (See FAR 2.101(b).)		
If a proposed acquisition is for a bundled requirement, FAR 19.202-1(e)(1)(iii) requires the ordering activity to provide a copy of the proposed acquisition package to the Small Business Administration (SBA) procurement center representative at least 30 days prior to the issuance of the solicitation (RFQ). The ordering activity must provide all information relative to the justification of contract bundling, including the acquisition plan or acquisition strategy. When the acquisition involves substantial bundling, the ordering activity must provide all of the following information to the SBA procurement center representative and the agency Office of Small Business Programs:		
Specific benefits anticipated to be derived from bundling		
Assessment of the specific impediments to participation by small business concerns as contractors, and actions designed to maximize small business participation as contractors, including provisions that encourage small business teaming		
Actions designed to maximize small business participation as subcontractors (including suppliers) at any tier under the contract, or order, that may be awarded to meet the requirements		
A specific determination that the anticipated benefits of the proposed bundled contract or order justify its use		
Alternative strategies that would reduce or minimize the scope of the bundling, and the rationale for not choosing those alternatives		
NUTS AND BOLTS TIP		
FAR 19.202-1(e)(1)(iii) is the only section of FAR Part 19 that applies to Schedules.		

Oral Presentations Notes · May be used at the discretion of the ordering activity Contracting Officer · It is important that the ordering activity Contracting Officer use proper procedures IAW FAR Subpart 8.4 procedures for placing orders against **GSA Schedules** Ordering activity Contracting Officer may consult FAR Subpart 15.102 for processes and techniques for the use of oral presentations and tailor them to fit the requirements in FAR Subpart 8.4. Part 15 does not apply. Ordering agencies may utilize oral presentations at their discretion. The purpose of oral presentations is to ensure the ordering activity fully understands the solution proposed by each vendor. Refer to the following websites for more information: Guidelines for the Use of Oral Presentations at http://www.troopsupport.dla.mil/contract/oral/oral.htm Defense Acquisition Guidebook at https://dag.dau.mil/Pages/Default.aspx **Benefits of Oral Presentations Benefits** <u>Guidelines</u> Promote communication Basis for evaluation Qualifications for presenters Increase buyer and seller satisfaction Requirements or limits on ■ Reduce: supplemental material Chance of Location, date, and time of misunderstandings presentation about what is required and what solution is □ Time restrictions being offered. Scope of communications Number of protests

Oral presentations allow for greater face-to-face interaction and are important in those acquisitions where the contractor's key personnel are critical to the success of an acquisition.

Notes	Agency Statutory and Regulatory Requirements		
	All orders must be consistent with relevant requirements		
	Ordering activity has ultimate responsibility for compliance		
	Seek legal advice for conflicts between requirements and regulations		
	Any Schedule order must be consistent with the requiring agency's statutory and regulatory requirements applicable to the acquisition of the supply or service. The requiring activity should advise the ordering activity of such requirements, but the ultimate responsibility for compliance rests with the ordering activity.		
	If there is conflict between requiring activity statutory requirements and those of the ordering activity, the Schedule user should contact appropriate legal counsel for advice.		

Topic 2: Schedule Flexibilities

Notes

Contract Flexibilities



The MAS program offers a number of approaches to acquiring complete solutions. Contractor Teaming Arrangements (CTAs) enable two or more vendors to present a team approach to providing solutions, different from a prime contractor/subcontractor type of relationship. Also, it may be beneficial to an organization to award BPAs for recurring requirements, to make the ordering process easier and to take advantage of the potential to obtain reduced pricing.

Contractor Team Arrangements (CTAs)



A GSA Schedule CTA is an arrangement between two or more MAS contractors to work together to meet government requirements. The CTA document is a written agreement between team members detailing the responsibilities of each team member.

Notes	The CTA does not create a separate legal entity. The CTA allows the contractor to meet the government's needs by providing a total solution that combines the supplies or services from the team members' separate GSA Schedule contracts. In this way, it minimizes acquisition costs, not only by reducing the number of contracts, but it may also reduce the need for open market items.
	The arrangement benefits contractors by permitting them to complement each other's capabilities to compete for orders that they may not qualify for independently.
	When considering quotes from teamed contractors, it is considered a best practice for the ordering activity to review the teaming arrangement and include it in the quote file. Each team member's Schedule contract number should be cited on the order.
	MAS DESK REFERENCE For more information, refer to the MAS Desk Reference: Section 9 on CTAs.
	Schedule Contractor Team Arrangement (CTA) Benefits • Provides complete solution
	Encourages use of GSA Schedules
	• Increases competition
	Levels the playing field for small businesses
	The benefits of CTAs include the following:
	Satisfies the customer with a single solution
	• Increases competitive edge
	• Increases market share
	• Increases visibility
	* Focuses on core capabilities
	 Obtains complementary capabilities
	❖ Integrates different skills
	 Offers additional opportunities with customers
	 Builds direct relationships with customers
	❖ Maximizes use of one or more Schedule solutions

- Shares risks and rewards
- Allows more opportunities for small business and small disadvantaged businesses
- Reduces the number of items Schedule contractors need to carry on their Schedule contracts, thus reducing inventory and tracking costs

Common Elements of CTA Agreements: Legal Matters



Each team develops its own teaming agreement, which is a business arrangement between all respective team members. GSA does not recommend any particular CTA format. However, GSA strongly encourages Contracting Officers to require submission of the agreement, so that the ordering activity may gain an understanding of how the arrangement will work and identify any CTA elements that may affect the performance risk associated with that quote. While not all-inclusive, the CTA elements below are areas that are of interest to the ordering activity:

- Legal relationship. The CTA document should not create a joint venture or separate subsidiary.
- **Duration of the agreement.** The CTA document should:
 - State the duration of the team agreement
 - Identify any options and describe how each option will work

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- * Terms of the agreement. The CTA document should:
 - Define the entire course of the project
 - Specify the responsibilities of each team member and any limitations on those responsibilities
 - Specify who receives and pays any team management fees
- ❖ List of open market items. The wide range of supplies and services quoted by GSA Schedule contractors should make the need for open market items minimal. Should open market items be required, all such items must be clearly identified as open market items, IAW FAR 8.402(f).
- Delivery responsibility. The CTA document should state whether the team lead or each team member is responsible for a particular part of the project, so that delivery responsibility is clearly established.
- Confidential information. The CTA document should identify any proprietary information and specify how such proprietary information and related rights will be managed.

Common Elements of CTA Agreements: Team Matters



Elements of a CTA Agreement regarding the teams includes:

- Identification of parties. The CTA should:
 - Always be documented in writing and signed by each participating GSA Schedule contractor
 - Identify each member of the Schedule CTA by name, address, GSA Schedule contract number, telephone number, and Point of Contact (POC)

	Identify the team leader and POC	Notes
	If the team leader will change throughout the order performance period, the document should describe the reasons for such changes and how the team lead will be designated during order performance	
	State the name and address of the ordering activity	
	Identify the primary ordering activity POC for specific needs	
	State that it is solely between the team members	
	 State that it cannot conflict with the terms and conditions of each team member's GSA Schedule contract 	
*	Specific team activities. The CTA document should state the various types of activities that will be incorporated into the team arrangement and identify who is primarily responsible for each identified activity.	
*	Responsibilities of team leader. The CTA document should outline and specify the duties of the designated team leader at each phase of the project.	
*	Responsibilities of team members. The CTA document should specify and describe the duties of each team member.	
*	Independent contractors. The CTA document should state that all team members remain independent contractors, responsible for their own employees.	
*	Replacement of team members. The CTA document:	
	Should address the circumstances and procedures for replacement of team members, including the team leader	
	Should state that the team must obtain the approval of the ordering activity prior to replacing any team member after receipt of an order	
*	Performance evaluation. The CTA document should clarify under whose name the government should evaluate performance in the Past Performance Information Retrieval System (PPIRS). FAR 8.406-7 requires ordering activities to enter evaluations in PPIRS for all orders exceeding the Simplified Acquisition Threshold (SAT).	

Common Elements of CTA Agreements: Financial Matters

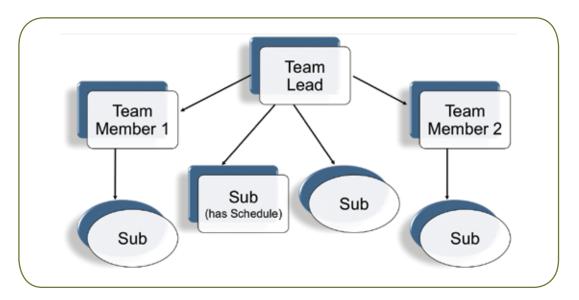


Elements of a CTA regarding finance include:

- Reporting of sales and Industrial Funding Fee (IFF) payment responsibility.
 - The CTA document should:
 - Specify that each team member is responsible for reporting its own sales under its GSA Schedule contract and paying the related IFF to GSA.
 - State that each team member will track sales by contract number to meet contract pricing and IFF reporting requirements.
- Invoicing and payment. The CTA document should designate team responsibilities for invoicing and payment. While the team leader may submit an invoice on behalf of all team members, GSA recommends that payment be made to each team member. GSA recognizes, however, that there may be instances where it is advantageous to design the CTA document so that payment is made to the team leader who pays each team member. Under such circumstances, the CTA document should clearly indicate that all team members agree to this method of payment. The CTA document should acknowledge that the team members, without any involvement by the government, would resolve any dispute involving the distribution of payment between the team leader and the team members.
- Warranties. The CTA document should designate team warranty responsibilities, such as:
 - Whom the ordering activity should contact regarding warranty issues
 - What documents will be required for a warranty claim
 - Who will correct deficiencies covered by warranty

- How will warranty compensation be managed within the team
- Pricing and costs. The CTA document should:
 - Specify unit prices or hourly rates and how pricing is calculated
 - List the supplies/services and pricing, including any team lead task management pricing, if applicable
 - Note that all prices charged to the ordering activity are at or below the applicable contractor's GSA Schedule contract prices
 - Explain how any order incentives or fees will be divided within the team
- Liabilities. The CTA document should address each team member's responsibilities and performance requirements so that liability is clearly established.
- Ordering procedures. The CTA should document how the team will handle processing additional orders from the government.

MAS Teaming and Subcontracting



CTAs can be comprised of both Schedule contractors and non-Schedule subcontractors. Each Schedule contractor is considered a team member.

Non-Schedule contractors are considered subcontractors. All subcontractors must be mapped to their prime contractors' Schedule labor categories.

The task order or BPA is issued to the Schedule Contractor Team as a whole, and lists all Schedule contractor numbers on it. In some cases, depending on the agreement, task orders can be issued directly to each team member. If multiple-award BPAs are awarded to multiple teams, then the teams must compete for the task orders.

The decision to form a team or not is entirely up to the contractors, not the ordering activity.

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Notes



NUTS AND BOLTS TIP

Do not confuse Schedule Contractor Team Arrangements (CTAs) with the definition of contractor teaming arrangements found in FAR Subpart 9.6. None of the definitions (the partnership/joint venture, or the prime/sub relationship) outlined in FAR Subpart 9.6 apply to Schedule CTAs.

Key Differences between CTA and Subcontractor Arrangements

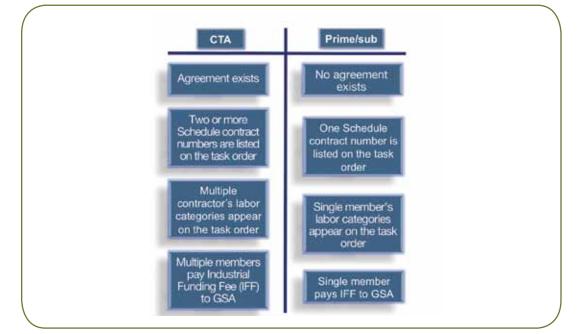
Key Questions	СТА	Prime/Sub Arrangement
Who must hold the Schedule Contract?	Each member	Only prime contractor
Who is considered a party to the task order? (Privity)	Each member	Only prime contractor
Who has ultimate responsibility for contract duties?	Each member	Only prime contractor
What rates can be charged?	Up to the MAS rate for member providing the services	Up to the MAS rate for the prime contractor
What solutions can be provided?	Total solutions, using contractors from different Schedules	Services/supplies identified on the prime contractor's MAS contract



MAS DESK REFERENCE

For more information, refer to the MAS Desk Reference: Section 9 on CTAs.

Activity: Differentiating Between Relationships



Notes

MAS Blanket Purchase Agreement (BPA) Basics

- · Simplifies ordering process for repetitive orders
- Subject to FAR Part 8, not Part 13
- Considered a competitive procedure
- · No guaranteed minimum or maximum
- Subject to annual reviews (multiple-award)

Blanket Purchase Agreement (BPA) Definition: A relationship that an ordering activity can use to simplify the acquisition of recurring needs for Schedule supplies or services, while leveraging buying power, saving administrative time, and reducing paperwork.

Both "traditional" BPAs and MAS (or "Schedule") BPAs may be used to fill anticipated repetitive needs for supplies and services. While traditional BPAs are subject to the requirements of FAR Part 13, *Simplified Acquisition Procedures, Part 13* does not apply to GSA Schedule BPAs.

Schedule BPAs generally should not exceed five (5) years in duration, but may do so to meet program requirements.

IAW FAR 6.102(d)(3), use of the MAS BPA is considered a **competitive procedure** under the Competition in Contracting Act (CICA) when the GSA Schedule ordering procedures are followed.

Notes GSA has established that the prices contained within the contractor's Schedule price list are fair and reasonable. When establishing one or more BPAs, ordering activities should request discounted pricing; the Schedule holders are not required to discount their prices, however. When placing an order against a BPA, the ordering activity is responsible for considering the level of effort and mix of labor proposed to perform a specific task being ordered, and for making a determination that the total price is fair and reasonable. The same ordering procedures outlined in FAR 8.405 apply to the establishment of a GSA Schedule BPA (FAR 8.405-3(a)(2)). Based upon the potential volume of orders under the BPA, ordering activities may be able to obtain greater discounts, regardless of the size of individual orders. Annual Review: The ordering activity must document the review of the GSA Schedule BPA annually to determine whether: The underlying Schedule contract is still in effect The BPA still represents the best value Estimated quantities/amounts have been exceeded and additional price reductions can be obtained Note: Appendix B "Sample Blanket Purchase Agreement Format" contains more in depth information on BPAs. **Benefits of MAS BPA** Increases Buying power through volume and substantial discounts Order process is more efficient Ordering level terms and conditions Use of CTAs Decreases Procurement Costs Acquisition lead time

Schedule BPAs offer many benefits. Most importantly, they help ordering activities anticipate and prepare for recurring purchasing needs, and they have fewer acquisition requirements than standard FAR contracts or traditional BPAs.

Administrative efforts

Contractual terms and conditions are contained in GSA Schedule contracts and flow down directly into GSA Schedule BPAs. Therefore, as a purchasing option, BPAs reduce the lead time of some contracting and open market requirements such as the search for sources and the need to prepare solicitations. Others are eliminated altogether, such as the requirement to synopsize the acquisition.

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MAS DESK REFERENCE

For more information, refer to the MAS Desk Reference: Section 8 on BPAs.

Additional Benefits

- Opportunity to negotiate improved discounts
- · Satisfy recurring requirements
- · Leverage agency requirements
- · Quicker turnaround on orders
- Funding isn't required until a BPA order is initiated
- Can use small business set-aside procedures in BPA awards to help meet socioeconomic goals

From the government's perspective, the four best reasons to use Schedule BPAs are clear:

- It gives the ordering activity flexibility in acquiring the exact services, levels of effort, and periods of performance that it needs for acquisitions without having to go through a separate acquisition process for each purchase
- It saves administrative time and money through consolidated payment and summary invoicing, thereby creating processing efficiencies
- Pre-negotiated prices means that the government can be sure it is getting the best pricing from the contractor on all task orders associated with the Schedule BPA. Note that the government should seek additional price reductions when establishing a BPA.
- Funding is not required until a need arises and an order is placed
- It allows the agency to set-aside BPAs for small businesses and helps the agency achieve its socioeconomic goals

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Notes	Contractors also see value in participating in a Schedule BPA:
	It simplifies production and revenue planning by providing an ongoing source of orders
	It increases revenue through volume purchases. To earn the volume purchases, the contractor understands it must provide volume discounts.
	The streamlined acquisition process provides contractors with a quicker turnaround on orders and may improve cash flow
	MAS BPA Streamlines the Acquisition Process
	Permits consolidation of agency and multi-agency requirements
	Eliminates need for immediate funding requirements
	BPAs help consolidate agency needs in many ways. Here are two examples: A BPA can be set up for field offices across the nation, thus allowing them to participate in an agency-wide BPA and place orders directly with GSA Schedule contractors. In doing so, the entire agency reaps the benefits of additional discounts negotiated into the BPA.
	A multi-agency BPA can be established if the BPA identifies the participating agencies and their estimated requirements at the time the BPA is established
	BPAs enable ordering activities to prepare for anticipated purchases and become more proactive in their purchasing. Because an ordering activity is not actually buying products or services when it establishes the BPA, funding does not have to be immediately available when the BPA is established unless a minimum dollar value is guaranteed in the BPA (this is not a requirement). When the funding becomes available and the need becomes immediate, the ordering activity can then make the purchase by simply placing a delivery or task order.
	Schedule BPAs simplify the acquisition process for ordering activities. In addition to not performing a "fair and reasonable" price analysis (except for labor hours and mix on hourly rate contracts), ordering activities do not need to synopsize requirements for purchase against a BPA.

Single-Award BPAs

- FAR stated preference for multiple awards
- Single-award BPA limited to one year, no more than four option years;
 documented justification and approvals required
 - Initial award >\$103M approved by agency head
- · Benefits:
 - Simplified ordering process
 - Improved pricing and terms

The preference in FAR 8.405-3 is to establish a multiple-award BPA. However, if agency requirements are best met with a single award and proper approvals are obtained, the agency may award the BPA to only one contractor. If so, authorized users may place the task order directly under the established BPA when the need for the supply or service arises.

Consider:

- Frequency of:
 - Ordering
 - Invoicing
 - Discounts
 - Delivery
- Type of order:
 - FFP
 - Labor Hour
 - ◆ T&M



MAS DESK REFERENCE

For more information, refer to the MAS Desk Reference: Section 8 on BPAs.

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Notes	Multiple-Award BPAs
	All purchases are competed among a prequalified pool of contractors
	Duration generally does not exceed five years, but may do so to meet program requirements
	For orders over the micro-purchase threshold and for hourly rate services, RFQs must be sent to all BPA holders
	 Benefits: Simplified ordering process Improved pricing and terms Ability to search and negotiate for best value
	Multiple-award BPAs are established with more than one Schedule contractor. They are appropriate when the ordering activity determines that more than one BPA is needed to meet its needs, or when the requirement is less defined.
	The number of BPAs to be established is within the discretion of the ordering activity and should be based on a strategy that is expected to maximize the effectiveness of the BPA(s).
	For orders exceeding the micro-purchase, the ordering activity must forward the requirement, or SOW/PWS/SOO, and the evaluation criteria to an appropriate additional number of Schedule BPA holders IAW the BPA ordering procedures. The ordering activity must evaluate the responses received, make a "Best Value" determination and place the order with the Schedule BPA holder that represents the best value.
	If the BPA is for hourly rate services, the ordering activity must develop an SOW/PWS SOO for requirements covered by the BPA. All orders under the BPA should specify a price for the performance of the tasks identified in the requirements document.

BPA Documentation Requirements

- · Schedule contracts considered
- Requirements description
- · Results of price evaluations
- · Estimated value
- Evaluation methodology
- · Rationale for any trade-offs
- · Annual review results
- · Fair and reasonable price determination

If applicable, the circumstances and rationale for restricting consideration of Schedule contractors to fewer than required in the Schedule ordering procedures	
If applicable, the rationale for placing other than Firm Fixed Price or performance-based orders	
ty must document: the contractors with which BPAs	

Notes

When establishing MAS BPAs, the ordering activity

- The Schedule contracts considered, noting have been established
- A description of the requirements (e.g., estimated quantities, work to be performed)
- The results of price evaluation and overall price reasonableness for services when applicable
- The estimated value
- ❖ If applicable, the circumstances and rationale for restricting consideration of Schedule contractors to fewer than required in the Schedule ordering procedures
- The evaluation methodology used in selecting the contractor to receive the BPA(s)
- The rationale for any trade-offs in making the selection
- The fair and reasonable price determination required by FAR 8.405-2(d) for BPAs with hourly rate services
- If applicable, the rationale for placing other than Firm Fixed Price (FFP) or performance-based orders
- The results of the annual review must be documented

Notes	Establishing a Schedule BPA: Basic Information					
	Statement that it is a Schedule BPA					
	Statement that it is issued under authority of the Schedule contract BPA clause					
	Identification of the issuing organization					
	Identification of the contractor					
	Before an ordering activity can issue a task order against a Schedule BPA, it must first establish the BPA itself. The BPA has multiple documentation requirements which provide a permanent record of the process used in evaluating Schedule solutions and placing the Schedule order or BPA. The documentation should be brief but detailed enough to demonstrate that the Schedule user followed the requirements of the FAR, the Schedule contract, and good business practice. The Schedule user should consider documentation requirements and recommendations for various requirements, acquisition dollar levels, and agency requirements.					
	Most Schedule BPAs begin with general information such as the following:					
	❖ A statement that the document is a Schedule BPA					
	A statement that the Schedule BPA is issued under authority of the BPA clause in the applicable GSA Schedule contract(s) including the contract number(s)					
	Identification of the organization issuing the Schedule BPA					
	❖ Identification of the contractor					
	The Schedule BPA should include the signatures of ordering activity and Schedule contractor representatives who are authorized to bind the parties to the agreement. The Schedule BPA may also include other elements required by FAR 8.406-1 for Schedule orders.					

BPA Specifications: Who and When Notes Multi-agency Schedule BPAs BPA Period Ordering Frequency Delivery/Performance Period Multi-agency Schedule BPAs. Agencies can join together to create a BPA that is limited to purchasers in any of the partner agencies. This multi-agency Schedule BPA must identify the participating agencies and each agency's estimated requirements at the time the Schedule BPA is established. BPA Period. The period of the Schedule BPA may be identified with specific beginning and ending dates or simply from award to the expiration date. Schedule BPAs generally should not exceed five years in length, but may do so to meet program requirements. A contractor may be awarded a Schedule BPA that extends beyond the current term of the applicable GSA Schedule contract, so long as there are option periods in the Schedule contract(s) that, if exercised, will cover the Schedule BPA's period of performance. FAR 8.405-3(d) requires an annual review of each Schedule BPA to determine if the BPA still represents the best value. While it is possible to add options to a BPA, there is no compelling reason to do so. Annual reviews are much more flexible and streamlined than a full FAR Part 17 option review. A cancellation clause should be included in the BPA in case there are problems and the government needs to cancel the BPA. Frequency of ordering. The frequency of ordering should be described as clearly as practicable based on available information. If the frequency of ordering is known, the Schedule user should describe the frequency in the Schedule BPA. For example, the Schedule BPA might state that orders will be issued monthly based on estimated ordering activity requirements for the following month. If the frequency of ordering is not known, the Schedule user should use a general statement that accurately describes the known information about the frequency of ordering. For example, the Schedule BPA might state that orders will be issued when requirements are identified by the ordering activity. Delivery/performance period. When the Schedule BPA's delivery/performance period is known, the Schedule BPA should state the period. If the Schedule BPA covers a large number of services or supplies, it may be cumbersome or even impossible to identify delivery/performance periods in the BPA. When various services will be provided based on a general Schedule BPA SOW, it may be impossible to identify the performance period in the BPA. In those cases, the Schedule BPA should state that the delivery/performance period will be identified in each BPA order.

Notes	BPA Specifications: What and Where				
	Estimated requirements				
	• Delivery/performance locations				
	Estimated Requirements. Estimated requirements should be based on the best available estimate at the time the Schedule BPA is established. The estimates should describe the expected requirements for a particular type of service or supply over a period of time. The period is normally one year unless the Schedule BPA is for a shorter period of time.				
	The BPA should include a statement that the government is not obligated to make any purchases using the Schedule BPA. This is commonly done in one of two ways:				
	A statement such as "This Schedule BPA does not obligate any funds. The government is obligated only to the extent of authorized orders actually made under the BPA"; or				
	 A statement such as "The government estimates, but does not guarantee, that the volume of purchases using this Schedule BPA will be \$ This BPA does not obligate any funds. The government is obligated only to the extent of authorized orders actually made under the BPA." 				
	 Ordering activities may include a guaranteed minimum purchase amount in the BPA as a way to get better pricing from the contractor. If the BPA contains such a guarantee, then the ordering activity must dedicate funds to cover the guaranteed minimum. 				
	Delivery/Performance Locations. Schedule BPAs for supplies should either identify the location required for delivery or state that it will be provided with each order.				
	If Schedule BPA services will be performed at one or more known locations, the BPA should identify those locations as clearly as practicable. At a minimum, the Schedule BPA should identify the geographic area of BPA performance (e.g., Greene County, OH).				

BPA Specifications: Price Reductions Notes Seek price reductions: Before placing any order that exceeds the SAT When the service or supply is available elsewhere at a lower price · When establishing a BPA to fill requirements · In conjunction with annual BPA review • When there are other reasons for requesting a price reduction The potential volume of orders under BPAs, regardless of the size of individual orders, offers the opportunity to secure greater discounts. FAR 8.405-4 requires Schedule users to seek price reductions in the following circumstances: Before placing any order that exceeds the SAT When the supply or service is available elsewhere at a lower price When establishing a BPA to fill requirements In conjunction with an annual BPA review ❖ When there are other reasons for requesting a price reduction Any additional discounts obtained should be clearly identified in the resulting Schedule BPA. Identification may take any form appropriate to the acquisition situation. The discount will often be a percentage reduction or a reduced price list applicable to the BPA. Schedule contractors are not required to pass on to all Schedule users a price reduction extended only to an individual ordering activity for a specific order. **BPA Specifications: Invoicing** When invoicing, keep in mind: The invoice address for the order The opportunity to consolidate Invoice Address. If the contractor submits all Schedule BPA invoices to the same address, the BPA should identify that address. If different orders will require that invoices be sent to different addresses, the Schedule BPA should state that invoices

must be submitted to the address specified in each order.

Notes	Invoice Consolidation. Examples of invoice consolidation requirements include the following statements:
	 "A summary invoice must be submitted at least monthly or upon expiration of the Schedule BPA, whichever occurs first, for all deliveries made during a billing period, identifying the delivery tickets examined therein and stating their total dollar value. It must be supported by receipt copies of the delivery tickets."
	"An itemized invoice must be submitted at least monthly or upon expiration of the BPA, whichever occurs first, for all deliveries made during a billing period and for which payment has not been received."
	When billing procedures provide for an individual invoice for each delivery, these invoices must be accumulated, provided that:
	♣ A consolidated payment will be made for each specified period
	The period of any discounts will commence on the final date of the billing period or on the date of receipt of invoices for all deliveries accepted during the billing period, whichever date occurs later
	PDA Specifications: Evaluations and Pationales
	BPA Specifications: Evaluations and Rationales
	(• Evaluation methodology
	• Trade-off rationale
	• Price reasonableness
	Annual review results
	Limited sources rationale
	Hourly basis rationale
	Evaluation Methodology. An RFQ issued to establish one or more BPAs must state the evaluation criteria that will be used to determine which quotations offer the best value. Typical evaluation factors include technical capability, capacity to do the required work on an "as needed" basis, past performance, price analysis, etc.
	Trade-off Rationale. FAR guidance instructs us to make best value source selections to ensure the government gets the best solution at the best price. If there are any cost or technical trade-off factors, the ordering agency must identify these factors in the RFQ to ensure the vendors know what the government thinks is important.
	Price Reasonableness. While the pricing on the GSA Schedules has already been determined to be fair and reasonable, quotations received in response may offer lower prices (agencies are charged with seeking price reductions). Prices or hourly rates in the BPA must be found fair and reasonable by the Contracting Officer.

Annual Review Results. When considering a firm for a BPA award, the Contracting Officer can review findings of other Contracting Officers within the agency to see if any performance problems have been noted. This is a form of a past performance evaluation.	Notes	
Limited Sources Rationale. If the requirement is for a brand name or equal product, or simply a brand name requirement, the ordering agency will be required to develop a limited sources justification. The information that must be part of this justification must explain why only a certain product will be acceptable. Within 14 days after BPA award, the justification must be posted on eBuy and on FedBizOpps, depending on the potential dollar amount of the BPA. The justification, or a link to it, must remain active for 30 days.		
Hourly Basis Rationale. FAR Part 12 contemplates the award of fixed-price contracts and orders, though there may be times when the exact number of hours required for each different type of labor category is unknown. In the event that a Time & Materials (T&M) or Labor Hour (LH) BPA is to be awarded, the BPA file will need to be documented to show why the hourly basis is required.		
Socioeconomic Considerations		
Small business		
Veteran-owned small business		
Service-disabled, veteran-owned small business		
HUBZone small business		
Women-owned small business, or		
Small disadvantaged business Schedule contractor(s)		
Ordering activities can take credit for awarding orders to these firms when purchases are reported in the Federal Procurement Data System (FPDS). Two ways exist to consider socioeconomic status. One is awarding the BPA on a set-aside basis. The other is when firms are identified for competition. Ordering activities should give preference to small businesses for orders over the micropurchase threshold, if two or more items at the same delivered price as a large business will satisfy the requirement.		

Procedures for Ordering from Multiple-Award Schedule BPAs (FAR 8.405-3(c))
Exceeds SAT
Issue RFQ to all eligible BPA holders, or follow procedure for limiting sources Select best value quote Document best value determination and evidence of compliance with ordering procedures
Below SAT – above Micro
Provide fair opportunity to all BPA holders, or document reasons for restricting consideration Select best value quote
Below Micro
Place order with contractor Distribute orders among contractors
organizational component. If the ordering activity establishes one Schedule BPA, authorized users may place the order directly under the established BPA when the need for the supply or service arises. If the ordering activity establishes multiple Schedule BPAs, which is preferable in the FAR, each BPA should include procedures for providing BPA holders a fair opportunit
to provide the services and/or supplies identified in the BPA. The BPA should specify the ordering procedures at various dollar thresholds, as discussed below.
When ordering from Schedule BPAs, ordering activities must conform to the following requirements:
❖ Single-award BPA. If the ordering activity establishes one BPA, authorized users may place the order directly under the established BPA when the need for the supply or service arises. A single-award BPA might be appropriate if there is only one qualified source, or if it is in the public interest in exceptional circumstances.
Multiple-award BPAs. If the ordering activity establishes multiple BPAs, before placing an order, the ordering activity must:
If under the micro-purchase threshold, an award can be made to any BPA holder, so long as orders are fairly spread when needs arise.
If over the micro-purchase threshold but under the SAT, each BPA holder must be given a fair opportunity to compete for the order, but it is not necessary to individually contact each company for each order. If the Contracting Officer chooses not to contact each BPA holder, the file must be documented as to the rationale.

For orders over the SAT, the ordering activity must send an RFQ to each BPA holder, affording them the opportunity to submit a quote, and fairly evaluate all responses received, making a best value award in accordance with the specified selection procedures	Notes
BPAs for hourly rate services. If the BPA is for hourly rate services, the	
ordering activity must develop an SOW/PWS/SOO for requirements covered by	
the BPA. All orders under the BPA shall specify a price for the performance of	
the tasks identified in the SOW/PWS/SOO.	
The procedures for placing Schedule BPA orders must conform to applicable FAR,	
agency, and ordering activity requirements.	

Notes	Topic 3: Other Direct Costs				
	Other Direct Costs Categories				
	Ancillary Supplies and Services Commercial items on Schedule Items included in the task order Items support and are not the primary purpose of the order				
	Travel Reimbursable Items Travel in the performance of a task order Reimbursable according to agency and federal regulations				
	Open Market Items Commercial items not on Schedule Can be mixed with Schedule items only if all clauses applicable to those items are included and the ordering Contracting Officer determines prices are fair and reasonable and within scope				
	When putting together the acquisition plan, ordering activities should also consider how much and what types of Other Direct Costs (ODCs) are going to be needed to meet the requirement.				
	Direct costs are costs that can be directly traced to an order and which are incidental to the main purchase. ODCs typically come in three categories:				
	♣ Ancillary Supplies and Services are commercial items, which complement the main purchase, are within the scope of the contract and are already on the Schedule contract. The items are included in the MAS contract and task order and cannot be ordered separately from other services on the same contract. Because the items are already on the MAS contract, the prices are considered fair and reasonable. An example of ancillary items is an order for training that might specify the development of course materials and the teaching of classes. The cost of printing the participant guides is an additional service that is available under the Schedule contract, but is only available when purchasing the training services.				
	Travel Reimbursement Items are costs for transportation, lodging, and per diem that are associated with the performance of a task order. Ordering activities can reimburse contractors for travel related costs as long as the travelers follow the appropriate federal, agency, and project travel regulations, such as the Federal Travel Regulation (FTR) and the Joint Travel Regulation (JTR).				

	❖ Open Market Items, also known as "non-Schedule items" are "incidental" costs for commercial items that are not awarded under a MAS contract but which also support an order. Because the items are not on the Schedule contract, ordering activities cannot assume that the costs are fair and reasonable. Therefore, ordering activities must purchase these items IAW all applicable acquisition regulations. The ordering officer must determine that the quoted prices for these items are fair and reasonable and within scope.	Notes
A	dding Non-Schedule Items to a Schedule Order	
	All applicable FAR requirements for non-Schedule items must be followed	
	Items are clearly labeled as not on the Schedule	
	All applicable clauses for non-Schedule items are included in the order	
ite av a :	pen market items are known as incidental items, non-contract items, non-Schedule ems, and items not on a GSA Schedule contract. While a myriad of products are ailable through GSA Schedules, an ordering activity may need an item that is not on Schedule. In those cases, non-Schedule items may be purchased in conjunction with chedule products or services.	
	or administrative convenience, the ordering activity may add items not on Schedule to Schedule BPA or individual task or delivery order if:	
1.	All applicable acquisition regulations pertaining to the purchase of the items not on the Federal Supply Schedule (FSS) have been followed (e.g., publicizing (Part 5), competition requirements (Part 6), acquisition of commercial items (Part 12), contracting methods (Parts 13, 14, and 15), and small business programs (Part 19));	
2.	The ordering activity Contracting Officer has determined the price for the items not on the FSS is fair and reasonable;	
3.	The items are clearly labeled on the order as items not on the FSS; and	
4.	All clauses applicable to items not on the FSS are included in the order. (See FAR 8.402(f))	

Notes	Possible Schedule Alternatives to Open Market Items
	Modify Schedule Contract
	Contractor Team Arrangement (CTA)
	Government-Furnished Property (GFP)
	Ordering activities have three options for avoiding using open market items:
	The Schedule contract can be modified by the GSA Contracting Officer. Currently, there are five types of modification requests:
	- * Additions
	- Deletions
	- ❖ Administrative Changes
	−
	- ❖ Technical Changes
	 Contractor Team Arrangements (CTAs) bring together multiple Schedule contractors as a team to provide a total solution for the requirement. For instance, one team member might be on a Schedule to provide installation and consulting services for a type of equipment. Another Schedule contractor might be on a different Schedule to provide the equipment but not the installation. By teaming, a single solution that avoids the need to search the open market benefits contractors and the government alike. RFQs can state the ordering activity's preference to use a team solution.
	 Government-Furnished Property (GFP)/Government-Furnished Equipment (GFE) includes facilities, equipment, material, supplies, or other services provided by the government for use by all prospective service providers in the solicitation. Costs for GFP included in a solicitation are considered common costs. Replacement costs, insurance, maintenance and repair costs for GFP may or may not be government-furnished, depending on the provisions in the solicitation.

Topic 4: The Evaluation Process

Notes

Evaluation Process



Evaluation team members must understand all the significant factors being considered. In addition to price, the team may use other factors to determine best value. Factors include:

- Past performance
- Technical qualifications
- Performance planning
- ❖ Preference for the items of small business concerns when two or more items at the same delivered price will satisfy the requirement as indicated in FAR 8.405(c)
- Any other best value factors that represent the key areas of importance to be considered in the selection decision and support meaningful comparison and discrimination among competing quotes

If the Schedule user is considering price and additional evaluation factors, the evaluation team must understand the relative importance of the identified evaluation factors. At a minimum, the RFQ should state whether all evaluation factors other than price, when combined, are:

- Significantly more important than price
- Approximately equal to price
- ❖ Significantly less important than price

Evaluation Criteria – Technical Evaluation



When evaluating quotes, ordering activities must base the evaluation on the criteria established in the RFQ. The ordering activity should ensure that any personnel assisting in quote evaluation understands the quote evaluation criteria for the area they are evaluating. In addition, the personnel assisting must not consider any criteria not identified in the RFQ or take any action that favors one Schedule contractor over another. Many protests have been sustained by protesters when other than the stated evaluation criteria are used (i.e., "hidden" evaluation criteria). See Air Force Procurement: Aerial Refueling Tanker Protest #GAO-08-991T July 10, 2008, review of the extensive record, including a hearing, led GAO to conclude that the Air Force had made a number of significant errors that could have affected the outcome of what was a close competition between Boeing and Northrop Grumman. The errors included not assessing the relative merits of the proposals in accordance with the evaluation rules and criteria identified in the solicitation, not having documentation to support certain aspects of the evaluation, conducting unequal and misleading discussions with Boeing, and having errors or unsupported conclusions in the cost evaluation. Accordingly, GAO sustained Boeing's protest. (http://www.gao.gov/products/GAO-08-991T)

The RFQ should provide Schedule contractors with information on how the ordering activity will evaluate quotes. Although the criteria are determined during the acquisition strategy stage, it is a best practice for the evaluating teams to review the criteria before beginning the evaluation. Evaluation team members should familiarize themselves with the following key points when preparing to evaluate:

Comparing Prices for Orders Not Requiring an SOW

When ordering supplies and services are listed in the Schedules contracts at a fixed price for the performance of a specific task, comparing prices is straightforward.

For orders at or below the micro-purchase threshold, ordering activities may place orders with any Schedule contractor that can meet the agency's needs. Although it is not required to solicit from a specific number of Schedule contractors, ordering activities should attempt to distribute orders among contractors.

For orders exceeding the micro-purchase threshold but not exceeding the Simplified Acquisition Threshold (SAT), ordering activities should place orders with the Schedule contractor who can provide the supply or service that represents the best value. FAR 8.405-1 requires that the price comparison include a survey of at least three Schedule contractors, either through GSA Advantage!® or by reviewing the catalogs or price lists of at least three Schedule contractors. Instead of using price as the sole evaluation factor, the ordering activities should consider which vendor provides the best value.	Notes
For orders exceeding the SAT , ordering activities must check GSA <i>Advantage!</i> ®, survey at least three Schedule contractors, and seek additional price reductions.	
Because GSA sets Schedule contractor's prices when establishing the Schedule contract, ordering activities do not need to conduct detailed price realism analyses like those conducted when establishing a non-Schedule contract. Therefore, the ordering activity only needs to compare prices between quotes.	
With all three levels, the ultimate decision should consider best value, not lowest price. However, price is a key component in the decision-making process.	
Comparing Prices for Orders Requiring an SOW When ordering services priced at Schedule hourly rates, prices should be compared as part of an overall best value comparison.	
For orders at or below the micro-purchase threshold, ordering activities may place orders with any Schedule contractor that can meet the agency's needs. It is not required to solicit from a specific number of Schedule contractors, but ordering activities should attempt to distribute orders among various contractors.	
For orders exceeding the micro-purchase threshold but not exceeding the SAT , ordering activities should place orders with the Schedule contractor that can provide the supply or service that represents the best value. FAR 8.405-2 requires that the ordering activity send an RFQ to at least three Schedule contractors. Ordering activities should request that quoters submit Firm Fixed Price (FFP) quotes based on their GSA-approved hourly rates. Instead of focusing on price, the ordering activities should consider which vendor provides the best value.	
For orders exceeding the SAT , ordering activities must compare prices and quotes from "additional" Schedule contractors who offer services that will meet the needs. While "additional" means more than three, the exact number of additional Schedule contractors depends on the following factors:	
The complexity, scope and estimated value of the requirement	
The market research results, which identify potential contractors	
Any Schedule contractors who request a copy of the RFQ	

Notes	The ordering activity must notify all Schedule holders via eBuy or provide the RFQ to as many Schedule holders as practicable to ensure that at least three quotations will be received. If fewer than three quotations are received, the Contracting Officer must document efforts to obtain three quotations, note what factors may have been restrictive, and attempt to get more than three quotations next time an RFQ is issued.
	When evaluating price for hourly charged work, the ordering activity must consider the level of effort and the mix of labor proposed to perform a specific task and determine that the total price is reasonable.
	Throughout the three levels, the ultimate decision should consider best value, not lowest price. Note that price is a key component in the decision-making process.
	Non-Price Evaluation Criteria When Comparing Quotes
	• Non-Price Factors
	• Rating Systems
	- Adjectival ratings - Color coding
	Non-Price Factors:
	❖ Past Performance
	Warranty
	 Total cost of ownership over an item's useful life
	Maintenance availability and product sustainability
	 Useful life/technical obsolescence
	Environmental and energy efficiency
	Training and customer support
	Rating Systems Ordering activities may conduct evaluations using any method desired, as long as the evaluation method is clearly documented in the RFQ, is applied consistently to all quotes, and provides enough description to justify any ultimate trade-off decisions.
	Some of the most frequently used systems include color or adjectival ratings, numerical weights, ordinal rankings, plus/minus, and narrative statements.

A Quote Scoring or Rating Plan helps evaluators assess a quote's merit with respect to the evaluation factors and significant sub-factors in the solicitation. Regardless of the type of rating system being used, the key is to find a system that evaluators can use consistently when reviewing all competing quotes.

- ❖ Adjectival ratings use adjectives such as "outstanding," "good," and "marginal," to indicate the degree to which the contractor's quote has met the standard for each evaluated factor.
- Color coding uses colors to indicate the degree to which the contractor's quote has met the standard for each evaluated factor. For instance, the colors blue, green, yellow, amber, and red may indicate excellent, good, satisfactory, marginal, or unsatisfactory degrees of merit, respectively.



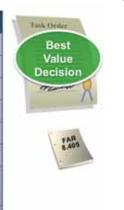
NUTS AND BOLTS TIP

If numerical weights are used during the evaluation process, those points should be converted to either an adjectival or color scoring system prior to determining the best value. Protests have been lost because a point-score rating cannot always be well-defended when making a best value source selection. The ordering agency may find itself assessing "price per point" of technical merit when making a best value selection.

Notes Comparing Best Value IAW FAR 8.4, Ordering Activities should place orders on a "best value" basis Low price, High price, technically technically acceptable superior **Best Value Continuum** Under a "Best Value" continuum there is a recognition that the government always seeks to obtain the best value in negotiated acquisitions using any one, or a combination of source selection approaches. In addition, the acquisition should be tailored to the requirement. At one end of this continuum is the "Lowest Price, Technically Acceptable" (LPTA) strategy and at the other end is the "technical/past performance predominates" strategy whereby trade-off of price, past performance, and technical considerations are weighed to identify the quote that provides the government with the best value. Best value procurements involve trade-offs between cost, technical, and past performance factors to determine which option provides the solution that best meets the government's needs while reducing the associated risk. For example, if the government's requirements are to increase efficiency and thereby reduce the agency's operating cost, the purchase of a high-end computer at a high price may be a better value than a low-end computer at a low price. Part of the best value trade-off analysis involves conducting a risk analysis; the ordering activity must consider whether it is willing to pay more for: Achieving socioeconomic objectives Better past performance Better technical approach Better management capabilities If it decides to use non-price factors, which means that other than the lowest-priced, technically acceptable quotation may be selected, the ordering activity must clearly state the priorities in the RFQ. When determining best value, an ordering activity may take advantage of the full spectrum of best value techniques as defined in FAR 2.101. When making the best value determination, ordering activities should refer to the guidance provided in the RFQ for the evaluation factors and their relative weights in the decision-making process. Price may be the least important evaluation factor, but it must be evaluated.

Making and Documenting the Decision

Documentation	Completed
Evaluation methodology	✓
Tradeoff rationale	1
Price reasonableness	1
Schedule contracts considered	1
Contractor chosen	✓
Description of service and amount paid	· ·
Rationale for using other than a FFP or performance-based order	~
Determination that interagency vehicle (Schedule) constitutes best vehicle	~



The ordering activity must select the Schedule contractor whose quote represents the best value to the government considering the evaluation criteria set forth in the RFQ. When acquiring services requiring an SOW/PWS/SOO, file documentation of the selection decision must include all of the following:

- The evaluation methodology used
- The rationale for any trade-offs
- ❖ A price reasonableness determination

For supplies or services not requiring an SOW/PWS/SOO, file documentation of the selection decision should include the following:

- Evaluation methodology used
- * Rationale for any trade-offs

In addition, the ordering activity must document:

- The Schedule contracts considered, noting the contractor from which the service was purchased
- * A description of the service purchased
- The award amount
- The rationale for placing an order other than a Firm Fixed Price (FFP) or performance-based order

N	otes	
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Notes	Topic 5: Order Placement and Documentation
	Order Documentation Requirements without an SOW
	The ordering activity shall document:
	The Schedule contracts considered, noting the contractor from which the supply or service was purchased
	A description of the supply or service purchased
	• The amount paid
	When an order exceeds the simplified acquisition threshold, evidence of compliance with the ordering procedures at 8.405-1(d)
	The basis for the award decision
	For all orders of any value for supplies or services not requiring an SOW, the Schedul user must document:
	 The Schedule contracts considered
	♣ The Schedule contractor selected to receive the Schedule order or BPA
	A description of the supply or service acquired
	The Firm Fixed Price (FFP) amount paid
	For limited source orders exceeding the micro-purchase threshold, the Schedule user must document the brand name or limited sources justification and approval. Justifications must be prepared and approved as required by FAR 8.405-6. Justifications for limited source restrictions may include the following:
	 Only one source is capable of responding due to the unique or specialized nature of the work.
	The new work is a logical follow-on to an original Schedule order provided that the original order:
	Was placed IAW the applicable Schedules program ordering procedures
	Was not previously issued under sole source or limited source procedures
	Is particular to one manufacturer (a brand name item, whether available on one or more Schedule contracts, is an item particular to one manufacturer)
	 An urgent and compelling need exists, and following the prescribed Schedule ordering procedures would result in unacceptable delays.

For orders exceeding the micro-purchase threshold, FAR 8.405-1 permits a Schedule user to consider price and other best value factors in evaluating Schedule solutions to determine the best value. Since the Schedule user is permitted to consider price and other best value factors, best practice requires the Schedule user to document both of the following:	Notes
The evaluation methodology used in selecting the Schedule contractor to receive the order or BPA	
The rationale for any trade-offs in making the selection	
Order Documentation Requirements with an SOW	
The ordering activity shall document:	
The Schedule contracts considered, noting the contractor from which the service was purchased	
A description of the service purchased	
The amount paid	
The evaluation methodology used in selecting the contractor to receive the order	
The rationale for any trade-offs in making the selection	
The price reasonableness determination required by paragraph (d) of this subsection	
 The rationale for using other than— (i) A firm, fixed-price order; or (ii) A performance-based order 	
When an order exceeds the simplified acquisition threshold, evidence of compliance with the ordering procedures at 8.405-2(c)	
	_

Notes	Options
	 Options may be included on Schedule orders, provided that the options: Are clearly stated in the requirement Are evaluated as part of the ordering activity's best value determination
	 Such options may be exercised on GSA Schedule contract orders, provided that: Funds are available The requirement covered by the option fulfills an existing government need Prior to exercising an option, the ordering activity ensures that it is still in the government's best interest The options do not extend beyond the period of the Schedule contract, including option year periods The length of the order and the risk to the ordering activity could be considered as part of the overall evaluation of best value
	Options may be included on orders placed against Schedule contracts and BPAs, if th options are clearly stated in the requirement and are evaluated as part of the ordering activity's "best value" determination. Options may be exercised on Schedule contract orders, provided that funds are available and the requirement covered by the option fulfills an existing government need. Note that single-award BPAs cannot exceed a tota of five years, i.e., one year with four, one-year options. Prior to exercising an option on a BPA, the Contracting Officer must conduct an annual review. If the BPA is a single-award BPA, then prior to option exercise, the annual review results (supporting exercise of the option) must be approved by the agency competition advocate.
	Prior to exercising any option, under an order or a BPA, the ordering activity must ensure that it is still in the government's best interest, with price and other factors considered.
	Schedule task orders may be established under the preceding conditions with options that extend beyond the end of the Schedule contract period. The order option must be exercised prior to the expiration of the Schedule contract, including its option periods. The length of the order and the risk to the ordering activity could be considered as par of the overall evaluation of best value.

Knowledge Check 1	Notes
An ordering activity has decided to make a purchase from a multiple-award BPA for \$100,000. What are the ordering procedures to be completed?	
Answer:	
Answer:	
Knowledge Check 2	
When is an ordering activity required to request a price reduction?	
Answer:	
-	
Knowledge Check 3	
You are part of a selection board that is seeking to implement a new payment processing software. The board has narrowed the selection down to two solutions:	
(1) a system that uses new technology, and (2) one that has a longer track record of	
success but is \$10,000 more expensive. What factors would you consider when making the best value decision?	
Answer:	
Allower.	

Notes	You are a Contracting Officer. One of your organizations has told you they want to acquire technical support services using a GSA Schedule. What questions would you ask to determine if a GSA Schedule contract is the best solution? Answer:
	Knowledge Check 5 You are a Contracting Officer. An acquisition team wants to use a Schedule contractor for the ongoing purchase of IT equipment. You suggest the organization consider a Schedule BPA. List the benefits of using a Schedule BPA. Answer:

Lesson 5: Task/Delivery Order Administration

This lesson will provide you with an understanding of the various tasks required once an order or Blanket Purchase Agreement (BPA) has been awarded. This includes everything from informing unsuccessful quoters, ensuring receipt of items or services, making sure invoices are timely paid, issuing modifications if needed, exercising options, and performing close-out activities within the timeframe mandated in FAR Part 4.

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- * Recognize the procedures for notifying unsuccessful offerors, to include responding to protests
- Identify activities associated with order administration
- Identify how administrative tasks differ for MAS BPAs
- Contrast the responsibilities of the contractor and ordering activity during task/ delivery order administration

Lesson Topics

- Topic 1: Notification and Kick-off
- Topic 2: Order Administration Functions

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Notes	Topic 1: Notification and Kick-off
	Notification of Unsuccessful Quoters
	Notify unsuccessful quoters after award
	Notification content, may include:
	- Number of Schedule contractors solicited
	- Number of quotes received
	- Name and address of each Schedule contractor
	- The total price of each order
	- General reason why quoter was not selected
	• eBuy – automatically send e-mail notice to unsuccessful quoters
	After award of a Schedule order or BPA for services requiring a Statement of Work (SOW), the ordering activity should provide timely notification to unsuccessful quoters.
	The FAR does not establish specific requirements for the notices; therefore, the ordering activity can tailor each notice as appropriate to the situation.
	Notices may be brief or may include detailed information such as:
	The number of Schedule contractors solicited
	The number of quotes received
	The name and address of each Schedule contractor receiving an award
	★ The total price of each order
	The reason(s) why the quote was not accepted
	When using eBuy, the ordering activity can automatically send an e-mail notice to unsuccessful quoters.

Information to Provide to Unsuccessful Quoters

If an unsuccessful quoter requests details on the award based on factors other than price alone, the ordering activity:

- Must provide brief explanation of the basis for award when acquiring services requiring an SOW
- Should provide brief explanation of the basis for award when acquiring supplies/services not requiring an SOW
- · May also include:
 - Significant weakness/deficiencies
 - Summary of rationale used to select contractor
 - Reasonable responses to relevant questions

If an unsuccessful quoter requests information on the award of a Schedule order or BPA that was based on factors other than price alone, the ordering activity must provide a brief explanation of the basis for the award decision for services requiring an SOW. It should provide a brief explanation of the basis for the award decision for supplies or services not requiring an SOW. The ordering activity may provide the following information:

- Any significant weaknesses or deficiencies identified in the seller's quote
- ❖ A summary of the rationale used to select the task order contractor
- Reasonable responses to relevant questions about how the evaluation criteria contained in the RFQ were used in the evaluation

Throughout the acquisition process, including when providing information to unsuccessful quoters or when establishing a date to discuss feedback, ordering activities should not use the word "debrief," nor should they use any other FAR Part 15 terms. Using words like "proposal," "bid," or "debrief" at any point throughout the GSA Schedule ordering process can open the door to a formal protest on the grounds that the government was not following proper FAR Subpart 8.4 procedures.

Notes	Information Not to Provide to Unsuccessful Quoters
	The notification must not include:
	Point-by-point comparisons
	Information on other quoters
	Trade secrets
	Privileged or confidential processes and techniques
	Privileged or confidential commercial or financial information
	Names of individuals providing reference information about past performance
	The notification to unsuccessful quoters must not include:
	 Point-by-point comparisons
	• Information on other quoters
	 ❖ Trade secrets
	Privileged or confidential processes and techniques
	Privileged or confidential commercial or financial information
	Names of individuals providing reference information about past performance
	but should not reveal proprietary information about the competitors.
	Protests Protests
	A protest is a written objection to the awarding of a contract by an interested party
	A protest can be to the agency or to GAO
	Protests can occur in the following situations:
	- Procedural issues
	- Scope issues
	Open market items
	Note: FAR Subpart 33.1 is applicable to orders placed against GSA Schedules
	FAR 33.101 defines "protest" as a written objection by an interested party to any of the following:
	 ♣ A solicitation or other request by an agency for offers for a contract for the procurement of property or services
	* The cancellation of the solicitation or other request

An award or proposed award of the contract	Notes
A termination or cancellation of an award of the contract, if the written objection contains an allegation that the termination or cancellation is based in whole or in part on improprieties concerning the award of the contract	
Contrary to popular belief, contractors may protest GSA Schedule orders. The limitation for non-Schedule multiple-award IDIQs found in FAR 16.505(a)(9) does not apply to MAS contracts.	
Procedural issues may include use of FAR Part 15-type procedures, versus FAR Subpart 8.4. Scope issues can arise if some of the work involved in providing a solution for a federal customer is outside the scope of the Schedule contract. Good market research should prevent this type of error. If the protest is on an "open market" item included in a Schedule order, it may be that the item is not part of the Schedule contract and it was not specifically identified as "open market."	
Responding to Protests Do	

Notes **Post Award Orientation** A kick-off meeting is recommended for high value and complex task orders. **Best Practices Purpose** Agenda ☐ Goals & objectives Ensure clear Organized by understanding of ordering activity □ Contract terms contract CO & program requirements & manager ■ Management plan expectations & QASP ☐ Held within one □ Partnership ■ Build effective week of award expectations Government-Schedule Attended by Roles and contractor individuals responsibilities partnership integral to project Schedules and success timeframes A post-award orientation, sometimes known as a kick-off meeting, aids both government and contractor personnel in achieving a clear and mutual understanding of all contract requirements and in identifying and resolving potential problems. The Contracting Officer determines whether a meeting is necessary. (See FAR Subpart 42.5 for additional information.) The kick-off meeting is not a substitute for the contractor to fully understand the work requirements at the time quotes are submitted. Kick-off meetings are encouraged to assist small, disadvantaged, women-owned, veteran-owned, HUBZone, and service-disabled, veteran-owned small business concerns.

Topic 2: Order Administration Functions

Order Administration Functions

- Order administration focuses on obtaining quality services and supplies:
 - On time
 - Within budget
- Administration activities vary depending upon the situation but may include:
 - Monitoring contractor performance
 - Non-conformance remedies
 - Dispute resolution
 - Inspection and acceptance
 - Order/BPA modifications
 - Performance incentive payment determinations
 - Prompt payments
 - Order/BPA close-out

The Schedule user is responsible for administering Schedule orders and BPAs issued under Schedule contracts.

Schedule order or BPA administration activities vary depending upon the acquisition situation and may include monitoring contractor performance, non-conformance remedies, dispute resolution, inspection and acceptance, order/BPA modifications, performance incentives, payments, and order/BPA close-out. FAR 4.804-1 provides timeframes for closeout. Simplified acquisitions should be closed out as soon as receipt has been verified and payment has been made.

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Notes

Roles and Responsibilities



The following list delineates responsibilities for each of the roles associated with administering Schedule orders.

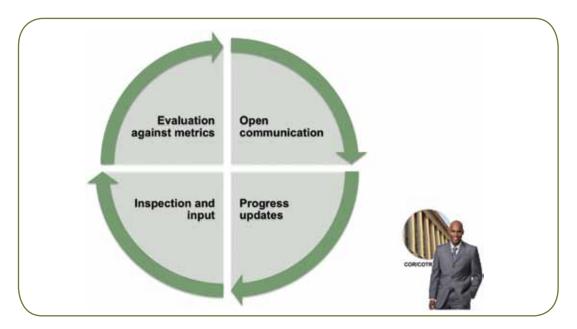
COTR/COR

- Prepare a management plan and order file, including tasks, milestones, schedules, and record keeping
- Participate in a post-award orientation conference with both the Contracting Officer and contractor
- Perform liaison activities among the Contracting Officer, program manager, contractor, government personnel, and end-users
- Provide ongoing market research on industry capability
- Avoid conflicts of interest (e.g., gifts, financial interest, shared workspace, directing contractor performance)
- Ensure the contractor submits security clearances and documents
- Ensure the program office or requiring office adheres to and supports contractual commitments:
 - Establish an inventory list of delivered property
 - Set up control requirements to ensure complete inventory and accountability
 - Inspect government-provided facilities
 - Prepare a report documenting actions and information

*	Monitor contractor performance; if performance-based, track cost, schedule and performance against performance standards and the milestone schedule	Notes
*	Inspect and accept products or deliverables	
*	Issue technical direction only when necessary	
*	Ensure the Contracting Officer's timely receipt of funding documents	
*	Acknowledge and review submitted reports, notices, and invoices	
*	Respond to technical findings	
*	Respond and make recommendations to the contractor and government requests, including change requests	
*	Prepare documents for the official file and document actions taken	
*	Support the Contracting Officer on issues regarding constructive changes	
*	Seek remedies due to poor performance	
*	Assess contractor's past performance	
Cont	anating Officer	
	racting Officer Negotiate and execute all order/BPA actions	
	Consult as needed with the legal advisor and GSA, for the interpretation of all	
	provisions of the Schedule contract	
*	Provide advice on contract terms and conditions	
*	Review contractor performance periodically for compliance and adequacy	
*	Provide technical oversight to procurement and non-procurement personnel	
*	Modify contract terms, conditions, requirements, specifications, and delivery schedules	
*	Make final decisions on invoice payments or other consideration due to the government for nonperformance or unsatisfactory performance	
*	Interpret the contract	
*	Resolve disputes	
*	Terminate the contract for default or convenience	
0 4		-
Cont	Understand contract terms and conditions	
*		
*	Deliver products or services IAW contract provisions	
*	If performance-based, provide quality or service level required	
*	Remedy any work or products that the government rejects	
*	Show improvement on work in progress through status updates	
*	Provide accurate and timely invoices	
•		

Notes

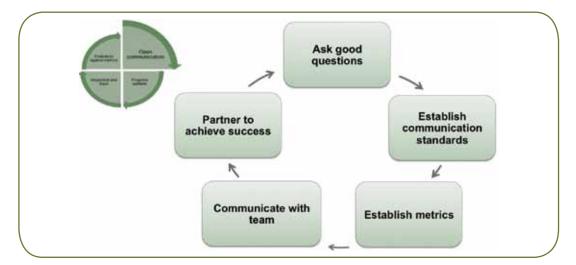
Monitoring Contractor Performance



One of the main tasks for COTRs during the order administration phase is to monitor contractor performance throughout the order/BPA. Effectively monitoring performance throughout the life of the order/BPA can avoid non-conformance problems during the delivery phase. Monitoring performance consists of four aspects:

- Maintaining regular and open communications
- Receiving regular status/progress updates
- Inspecting and providing input on interim and final work
- Evaluating against performance metrics, if performance-based, or inspection and acceptance criteria

Open Communication



At the beginning of the contract, the ordering activity and the contractor should establish good metrics if performance-based, or fair inspection and acceptance criteria if not. Metrics provide the basis for all work, communications, and evaluations, and let both parties know if the work is meeting the agency's objectives.

To make sure that the metrics are reasonable, ordering activities should collaborate with the contractors to establish feasible measures (i.e., what yardstick will you use?) and metrics (i.e., what performance standard must the contractor meet?) that achieve the desired results.

The SMART model is useful for establishing metrics and goals for performance-based orders:

- Specific: Set metrics and goals that are clear, concise, and unambiguous. The metrics should describe the desired final product or end state.
- Measurable: Establish concrete and quantifiable metrics to determine if work is successful. When setting measurements, ensure that there is a way to confirm if the metric or performance standard is achieved.
- ❖ **Aligned:** Confirm that the goals and metrics support the acquisition goals for the order, as outlined in the acquisition plan.
- Realistic: Make sure that the metrics can reasonably be accomplished in the established timeframe, given the constraints. Unless needed for safety, health, technical specifications, or security reasons, achieving all metrics may not be realistic because an issue may occur in the process that can cause delays or delivery issues. Many times, the issue is beyond the contractor's ability to adjust, such as storms, slow turnarounds, or lack of timely receipt of GFI or GFP.
- ❖ Timed: Set deadlines for interim and final deliverables. For ongoing service, set timeframes for completion of actions. Deadlines can be either well defined (e.g., January 5) or relative (e.g., eight weeks after contract award).

Much of the information for the metrics can be found in the Quality Assurance Surveillance Plan (QASP) that was part of the initial PWS. Between the initial QASP

Notes

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Lesson 5.	rask/Delivery	Order Administration	100

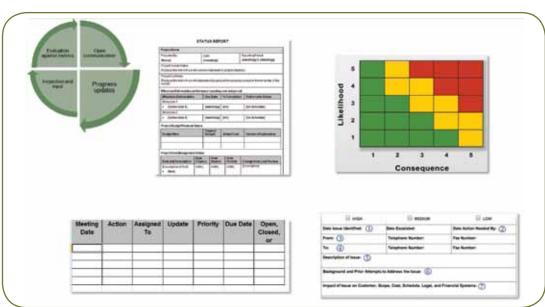
Notes it is willing to accept. expectations around communications: that arise? (e.g., e-mail, phone)? **Progress Updates**

and communications with the contractor, a revised QASP should be developed that includes applicable performance standards, acceptable levels of performance, methods of surveillance, and incentives/disincentives. An example of a QASP framework appears below. AQL means Acceptable Quality Level. This would only apply if the government has a minimum quality level or performance standard that

Desired Outcome	Performance Std	AQL	Monitoring Method	Incentive, if Appropriate	Comments

At the kick-off meeting, the ordering activity and the contractor should establish

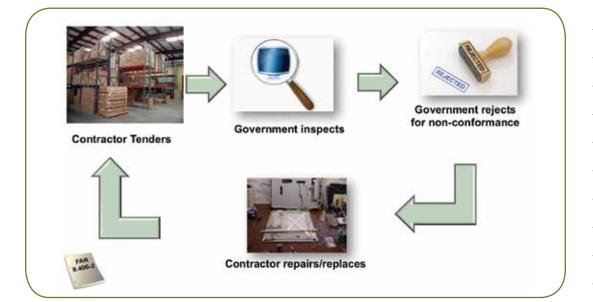
- What kinds of progress reports are needed?
- How often do reports need to be submitted, and to whom?
- What is the communication process, including expectations for any issues
- What is the timeframe for any reviews and feedback loops?
- What is the best way to communicate with each other about issues



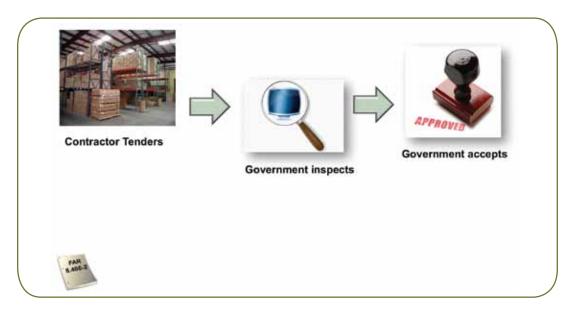
Typical methods for prog	ress updates include the following:	Notes
 Status reports 		
 Weekly meetings 		
 Action item tracki 	ng lists	
Risk tables		
Trouble tickets/da	tabases	
❖ Earned-value man	agement statistics	
	s provide a forum for understanding what has been out to be accomplished, and what is interfering with	
Progress reports should preventing progress.	focus on what has been accomplished and any obstacles	
vork that achieves the co	cumbersome as to draw too much time away from performing intract's goals, or be too detailed, causing the reader to have be preferred form and content of reports should be discussed	
at the kick-off meeting.		
monootion and Inn	4	
nspection and Inpu	ut	
Services	Supplies	
• Right format?	Right product?	
• Right content?	Right specifications?	
• Right structure?	• Right quantity?	
• Right details?	• Right location?) —
		_
	ed with consulting services, inspection may involve the es. These reviews are critical to the successful development	
	tractors look at the input and feedback as guidance on the	
• •	oviding little to no feedback on draft reviews may result in	
	lisappointment at the end of the task order. The contractor g deliverables that meet the government's needs and the	
	ducts that do not actually meet its needs. Just as importantly,	
	ne contractor's side can serve as a justifiable excuse should	
he government wish to p	-	
n most cases, the orderi	ne contractor's side can serve as a justifiable excuse should	

Notes	Evaluation against Metrics
	Some typical metrics include:
	• On-time delivery
	• Returned items
	• Customer satisfaction
	Time supplies or services adhered to technical standards or specifications
	• Number of trouble-tickets
	When a task order is performance-based, evaluating against metrics provides another way to determine if, and how well, the contractor is conforming to contract requirements. Metric-based evaluation provides an objective method to confirm that the contractor is meeting its obligations. Evaluation against metrics can contribute to more accurate past performance evaluations, which can help other ordering activities to make more effective best value determinations.
	Ordering activities should base their evaluations on the standards described in the QASP, the contract, and any agreements established during the kick-off meeting.
	Evaluation against metrics requires that quantifiable tracking methods be available and used throughout the order period. Some typical metrics include:
	• On-time delivery percentages
	Returned items percentages
	 Percentage of time supplies or services adhered to technical standards or specifications
	❖ Response rates
	Number of trouble-tickets, particularly on repetitive issues
	Customer satisfaction
	• Number of complaints
	◆ Defect rate
	* Effectiveness rate
	❖ Timeliness of service
	Length of time to resolve issues

Inspection and Acceptance



OR

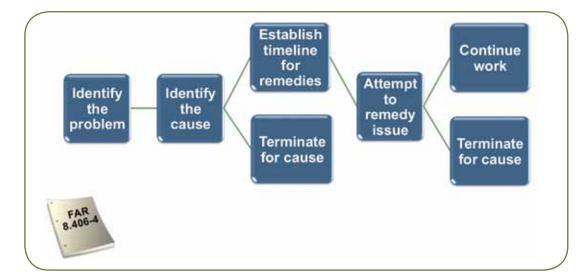


Ordering activities are responsible for inspecting Schedule supplies or services to ensure conformance with order technical requirements. Inspection and acceptance of supplies must be performed following the requirements of FAR 8.406-2. The rights of the parties relating to defective services or supplies are set forth in the Schedule contract.

Schedule orders require contractors to tender for acceptance to those items that conform to the requirements of the order, and ultimately of the Schedule contract. The government reserves the right to inspect or test any services or supplies that have been tendered for acceptance. The government may require repair or replacement of nonconforming supplies or re-performance of nonconforming services at no increase in price.

Notes	For services, the ordering activity has a right to inspect all services IAW the contract requirements and as called for by the order. The ordering activity must perform inspections and tests as specified in the order's QASP.
	For supplies, the ordering activity (or designated representative) must perform the inspection at the destination except when 1) the Schedule ordering agency requires mandatory source inspection, or 2) the Schedule item is covered by a supply description, and the ordering activity determines that the Schedule ordering agency's inspection assistance is needed.
	Unless otherwise provided in the Schedule contract, acceptance is conclusive, except for:
	Latent defects: Products that fail to meet requirements that exist at the time of acceptance but cannot be discovered by a reasonable inspection. For example, electrical equipment with internal components that do not meet item specifications.
	Fraud: The use of deceit or trickery to gain an unfair advantage. For example, a contractor knowingly presents for inspection the only item in a shipment that meets order requirements. If the ordering activity suspects fraud, the ordering activity must notify the Schedule Contracting Officer.
	❖ Gross mistakes that amount to fraud: Acts that may have not been intentional but have the effect of deceit or trickery and the gaining of an unfair advantage. For example, a contractor performed tests to determine if equipment could be certified as having met certain commercial safety standards. The contractor's test procedures were flawed, and even though the equipment passed the test, it did not meet commercial safety standards. If the ordering activity suspects gross mistakes that amount to fraud, the ordering activity should notify the Schedule Contracting Officer.
	Schedule contractors are responsible for rejected supplies. If a contractor does not remove or provide instructions for the removal of rejected supplies pursuant to the ordering activity's instructions, the ordering activity should review the Schedule contract to determine what options are available. The contractor may be liable for costs incurred by the government in taking such measures to avoid unnecessary loss to the contractor.
	When a prior rejection makes re-inspection or retesting of supplies necessary, the ordering activity should review the contract to determine whether the ordering activity is authorized to assess the Schedule contractor for costs related to the re-inspection or retesting. In addition, review of information on the procedures for calculating appropriate assessment amount should be made.
	Unless otherwise stated in the Schedule contract, the ordering activity may require repair or replacement of nonconforming supplies or re-performance of nonconforming services at no increase in contract price. Ordering activities must exercise the government's post-acceptance rights within a reasonable time after the defect was discovered or should have been discovered and before any substantial change occurs in the condition of the item, unless the change is due to the defect in the item.

Remedies for Non-Conformance



If a contractor delivers a supply or service, but does not conform to the order requirements, the ordering activity must take appropriate action IAW the inspection and acceptance clause of the contract, as supplemented by the order.

The Schedule contractor is liable for any nonconformance unless the nonconformance is caused by an occurrence beyond the reasonable control of the contractor and without its fault or negligence.

When the Schedule contractor identifies an excusable delay, the Schedule contract requires the contractor to:

- Notify the ordering activity in writing as soon as it is possible after the commencement of the excusable delay, and the notice must set forth the full particulars of the delay, such as:
 - The reason for the delay
 - Why the delay is excusable
 - Anticipated effect of the delay on order performance
 - Efforts to remedy the delay
- Remedy the excusable delay with all reasonable dispatch
- Promptly give written notice to the ordering activity of the cessation of the excusable delay

If the contractor fails to perform an order, or take appropriate corrective action, the ordering activity may terminate the order for cause or modify the order to establish a new delivery date (after obtaining consideration, as appropriate). Ordering activities shall follow the procedures in FAR 8.406-4 when terminating an order for cause.

Notes	An ordering activity Contracting Officer may terminate individual orders for cause. The ordering activity shall notify the Schedule Contracting Officer of all instances of termination for cause of individual orders or of suspected fraud. If the contractor asserts that the failure was excusable, the ordering activity Contracting Officer shall follow the procedures in FAR 8.406-6, as appropriate.
	Schedule Contract Terms and Conditions
	If the dispute concerns performance, notify the ordering activity Contracting Officer
	If the dispute concerns Schedule contract terms and conditions, notify the GSA Contracting Officer
	NOTE: Try to resolve disputes at the lowest level possible.
	Schedule contracts and orders are subject to the <i>Contract Disputes Act of 1978</i> , as amended. Failure of the parties to reach agreement on any request for equitable adjustment, claim, appeal or action arising under or relating to the Schedule contract or a Schedule order is a dispute to be resolved IAW the Schedule contract Disputes clause.
	Resolution of controversial issues at the local level is generally preferable to all parties.
	It is the government's policy to try to resolve all contractual issues in controversy by mutual agreement at the Contracting Officer's level. An ordering activity Contracting Officer should make a reasonable effort to resolve controversies pertaining to performance of Schedule orders prior to the submission of a claim by either party.
	Ordering activity Contracting Officers are encouraged to use Alternative Dispute Resolution (ADR) procedures to the maximum extent practicable. Contracting Officers may issue a final decision on a dispute arising from performance of a Schedule order or refer the dispute to the Schedule Contracting Officer.
	Ordering activity Contracting Officers must:
	• Notify the Schedule Contracting Officer promptly of any final decision.
	Refer all disputes that relate to the Schedule contract terms and conditions to the Schedule Contracting Officer for resolution under the Disputes clause of the Schedule contract and notify the Schedule contractor of the referral. If there is any question about whether a dispute pertains to the performance of a Schedule order or Schedule contract terms and conditions, the Contracting Officer should consult with ordering activity legal counsel.
	Contractors may appeal final decisions to either the Board of Contract Appeals (BCA) servicing the agency that issued the final decision or the U.S. Court of Federal Claims.

Applying Order Performance Incentives

- Evaluate performance based on order criteria
- Limit the final price to the maximum performance incentive price set forth in the order

If the order includes any performance incentives, the ordering activity should evaluate the contractor's performance using the criteria identified in the Schedule order and determine how much of the incentive amount the contractor should receive (if any). The determination of any performance incentive due to the Schedule contractor must be limited to the criteria identified in the contract. The amount of the final incentive must not exceed the maximum performance incentive price set forth in the order.

NOTE: When a contractor **meets** the performance standards set forth in the order, he is not entitled to any incentive payment. Only if he exceeds the standards should consideration of paying an incentive fee be considered.

Payments

- Fixed-price order payment is made on delivery and acceptance
- LH or T&M order payment is authorized when the Contracting Officer:
 - Confirms invoice conforms to GSA Schedule contract and order
 - Ensures invoice accuracy and approves it

For fixed-price orders, payments are made for items that have been delivered, inspected and accepted.

For Labor Hour (LH) and Time and Materials (T&M) orders, payments are made after services have been delivered and the invoice has been approved by the Contracting Officer, after conferring with the COTR. The Contracting Officer should not authorize payment until invoice review confirms that the invoice is accurate and conforms to the requirements of the GSA Schedule contract and the related order.

Notes **Order or BPA Modification** • The ordering activity Contracting Officer may change: - Administrative directions (unilaterally) - Order requirements within the task order's scope (with contractor's written agreement, or bilaterally) • The GSA Schedule Contracting Officer may change: - Terms and conditions of Schedule contract An ordering activity may find it necessary to modify a Schedule order or BPA. An ordering activity cannot modify the terms and conditions of the Schedule contract; only the GSA Schedule Contracting Officer can do so. If an ordering activity believes that a particular change to the Schedule terms and conditions would benefit the government, the ordering activity should contact the Schedule Contracting Officer. The ordering activity can unilaterally make written administrative changes to the order as long as the ordering activity does not change the substantive (i.e., meaningful or significant) rights of the contracting parties. For example, the ordering activity can unilaterally change the paying office or appropriation data because the change does not affect the rights of the contractor. Note that the Contracting Officer is the only one with authority to modify an order. The ordering activity is very limited in the type of modifications that it can make to a Schedule order, except for administrative changes. An ordering activity cannot make any: Substantive modification to the order requirements without the contractor's written agreement Additions to the order (e.g., additional quantities), unless priced options exist in the order Modification that does not conform to the terms and conditions of the Schedule contract (e.g., ordering activities cannot require the contractor to deliver/ perform in a period shorter than the delivery/performance period set forth in the Schedule contract) Modification that is outside the scope of the original order If an ordering activity has any questions about the scope of an order, it should contact its legal counsel for guidance. In general, if an ordering activity has ordered: A supply item, the ordering activity could modify the item (e.g., by changing the connector used to connect a phone to a telephone system) as long as the ordering activity does not substantively change the item that is being ordered. In other words, the ordering activity could not initially order a single telephone and change it into a multi-phone system.

Another example includes equipment maintenance services for a building; the ordering activity could add a new item of similar equipment in the same building. However, the ordering activity could not add maintenance of unrelated equipment in the same building or similar equipment in another city.	Notes
FAR 9.405-1(b) prohibits ordering activities from adding new work, exercising an option, or otherwise extending the duration of a current order if the contractor is debarred, suspended, or proposed for debarment. An exception can be made if the agency head makes a written determination of the compelling reasons for such action. Before modifying any order, the ordering activity must review the Excluded Parties List System (EPLS, at www.epls.gov) to determine whether the prospective order awardee is debarred, suspended, or proposed for debarment. If, for any reason, an ordering activity needs to cancel one or more items on an order, the ordering activity must follow the procedures for termination for the government's convenience.	
Multiple-Award BPA Annual Review	
The ordering Contracting Officer must:	
Review BPA at least annually and document the results of the review	
Determine whether it still represents the best value	
The Contracting Officer of the ordering activity that established a BPA must review it at least once a year to determine whether:	
The Schedule contract upon which the BPA was established is still in effect	
The BPA still represents the best value	
 Estimated quantities/amounts have been exceeded and additional price reductions can be obtained 	
The ordering activity must document the results of its review and should take appropriate action based on the results of the review. For example, the ordering activity should consider whether it is appropriate to seek additional price reductions under the current BPA or initiate a new competition for a replacement.	
If the BPA includes any options, the current annual review must be completed prior to exercising the option. If the BPA is a single-award BPA, the annual review results must be approved by the agency competition advocate prior to option exercise.	

Notes	Knowledge Check 1 An acquisition team recently awarded an order. An unsuccessful quoter has requested
	feedback. What information should be provided?
	Answer:
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	An ordering activity is about to begin administering a new order. Which tasks must be performed in order administration?
	Monitoring contractor performance
	Inspecting and accepting supplies and services
	Remedying non-conformance
	Consulting industry standards for evaluating performance
	Resolving disputes
	Making payments
	-
	_
	An acquisition team awarded a single-award BPA three months ago. Is it time for the ordering activity Contracting Officer to review the BPA?
	Yes, it should be reviewed once every quarter
	No, it should be reviewed every six months
	No, it should be reviewed once every year
	No, it may only be awarded for one year, with up to four, one-year options
	_

Lesson 6: Closeout Administration

When the requirement has been met and when the work is finished, the final stage of the acquisition life cycle is the Contract Closeout phase. Often overlooked, this phase is important to protect the government against any future complaints about the project, either by the contractor who performed the work, other contractors, or other investigative agencies or interests. It is important for audit purposes.

This lesson focuses on what should be done during closeout and why it is important. Additionally, this lesson addresses order terminations.

Learning Objectives

- Identify key tasks required for closeout of the task or delivery order
- Identify the benefits of past performance reporting
- Identify activities associated with order termination

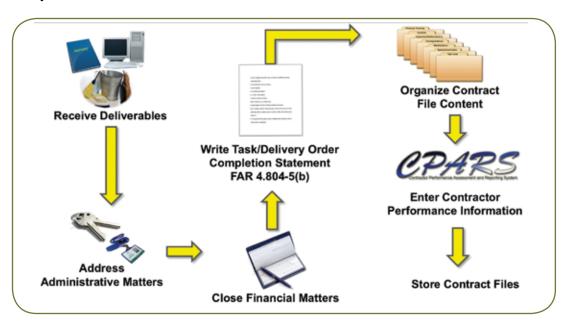
Lesson Topics

- Topic 1: Order Completion and Required Actions
- Topic 2: Order Termination

Notes

Topic 1: Order Completion and Required Actions

Required Actions at Closeout



Contracts involving:	Timeframe for closing after completion or receipt of goods:
Simplified acquisition procedures	Immediately after final payment
FFP, without simplified acquisition procedures	6 months
Settlement of indirect costs	36 months
All other types	20 months

The closeout process ensures that all terms and conditions have been met. FAR 4.804-1 requires that contracts be closed according to the following guidelines:

- Files for contracts using simplified acquisition procedures should be considered closed when the Contracting Officer receives evidence of receipt of property and final payment has been made, unless otherwise specified by agency regulations
- Files for Firm Fixed Price (FFP) contracts, other than those using simplified acquisition procedures, should be closed within six months after the date on which the Contracting Officer receives evidence of physical completion
- Files for contracts requiring settlement of indirect cost rates should be closed within 36 months of when the Contracting Officer receives evidence of physical completion
- Files for all other contracts should be closed within 20 months of when the Contracting Officer receives evidence of physical completion

The Contracting Officer can use Quick Closeout as indicated in FAR 42.708 if the following conditions occur:	Notes
 A contract with indirect costs is physically complete 	
The amount of unsettled indirect cost to be allocated to the contract is relatively insignificant	
The Contracting Officer can reach agreement with all interested parties on a reasonable estimate of allocable dollars	
Indirect cost amounts are considered insignificant when:	
The total unsettled indirect cost to be allocated to any one contract does not exceed \$1,000,000	
Unless otherwise provided in agency procedures, the cumulative unsettled indirect costs to be allocated to one or more contracts in a single fiscal year do not exceed 15 percent of the estimated, total unsettled indirect costs allocable to cost-type contracts for that fiscal year. The Contracting Officer may waive the 15 percent restriction based upon a risk assessment that considers the contractor's accounting, estimating, and purchasing systems; other concerns of the cognizant contract auditors; and any other pertinent information.	
Closeout cannot occur if a contract:	
Is in litigation or under appeal	
Is being terminated and all termination actions have not been completed	
Receive and Inspect Deliverables	
The first step in closing a contract to is to ensure receipt and approve all final deliverables as listed in the contract Deliverables can be either products or services	
	-
If applicable, the government should also have received technical and progress reports, inspections reports, and acceptance reports by the time the contractor delivers the final product or service	
The first step in closing a contract is to receive and approve all final deliverables as listed in the contract. Deliverables can be either products or services.	
If applicable, the government should have received technical and progress reports, inspections reports, and acceptance reports by the time the contractor delivers the final product or service.	
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Notes	Depending on the type of work, the government should also confirm that the following has occurred:
	 Disposition of classified material has been completed
	• Final patent report has been cleared
	• No outstanding value engineering change proposals remain
	Plant clearance report has been received
	 Government-Furnished Property (GFP) is accounted for or disposed of IAW agency instructions
	The order file should include COTR receipts or acceptance letters, along with any relevant comments, for each of the deliverables. It should also include any other agency-required forms associated with acceptance of deliverables.
	Address Administrative Matters
	(• Ensure all GFP has been collected from the contractor
	Ensure all Government-Furnished Information (GFI) has been properly disposed of before releasing the contractor
	Typically, once the contractor delivers the final product or service, the contractor does not remain on-site much longer. Before the contractors leave for the last time, the COTR must make sure to follow agency guidelines for collecting GFI and GFP from contractors.
	At a minimum, the contractor must return ID badges, keys, parking permits, and other GFP. The contractor must either return or dispose of GFI IAW agency requirements.
	Close Financial Matters
	• All invoices must be paid
	All costs associated with the task/delivery order must be allocated or settled before closeout can occur
	All invoices must be paid and all costs associated with the contract must be allocated or settled before close-out can occur.
	The order file should include:
	→ All approved contractor invoices
	Any dispute clause appeals
	Any resolutions to dispute or unresolved costs

 All financial reports and related information 	Notes
Any price modifications or revisions	
Order funds review must be completed. If there are excess funds, they must be de-obligated as part of the close-out process. If additional funding is needed, the file should not be closed until additional funding has been received and final payment is made. The order file should also include any other agency-required financial forms.	
Write Task/Delivery Order Completion Statement	
Once the activity has received all the deliverables and the financial matters have all been closed, the Contracting Officer administering the contract must ensure that a contract completion statement is prepared.	
The order completion statement must include the following:	
 Order administration office name and address (if different from the contracting office) 	
 Contracting office name and address 	
Schedule contract and order number	
❖ Last modification number	
 Last call or order number 	
 Contractor name and address 	
Dollar amount of excess funds, if any	
Voucher number and date, if final payment has been made	
Invoice number and date, if the final approved invoice has been forwarded to a disbursing office of another agency or activity and status of the payment is unknown	
 A statement that all required contract administration actions have been fully and satisfactorily accomplished 	1
Name and signature of the Contracting Officer	
❖ Date	
When the statement is completed, the Contracting Officer must ensure that:	
The signed original is placed in the Contracting Office order file (or forwarded to the contracting office for placement in the files if the contract administration office is different from the contracting office); and	
A signed copy is placed in the appropriate order administration file, if administration is performed by a contract administration office.	

Notes	Organize Contract File Content
	Acquisition planning and pre-award
	Task/delivery order administration
	Closeout administration
	IAW FAR 4.8 the head of each office performing contracting, contract administration, or paying functions shall establish files containing the records of all contractual actions. The documentation in the files (see FAR 4.803) shall be sufficient to constitute a complete history of the transaction for the purpose of:
	Providing a complete background as a basis for informed decisions at each step in the acquisition process
	Supporting actions taken
	Providing information for reviews and investigations
	Furnishing essential facts in the event of litigation or congressional inquiries
	The files to be established include:
	▲ A file for cancelled solicitations
	❖ A file for each contract and order
	A file such as a contractor general file
	A contract file should generally consist of:
	 The contracting office contract file that documents the basis for the acquisition and the award, the assignment of contract administration (including payment responsibilities), and any subsequent actions taken by the contracting office
	 The contract administration office contract file that documents actions reflecting the basis for and the performance of order administration responsibilities
	 The paying office contract file that documents actions prerequisite to, substantiating, and reflecting contract payments
	Normally, each file should be kept separately; however, if appropriate, any or all of the files may be combined (e.g., if all functions or any combination of the functions are performed by the same office).
	Files must be maintained at organizational levels that ensure:
	 Effective documentation of contract actions
	Ready accessibility to principal users
	Minimal establishment of duplicate and working files
	The safeguarding of classified documents
	Conformance with agency regulations for file location and maintenance

Contents of order files that are contractor quote information or source selection	Notes
information as defined in FAR 2.101 must be protected from disclosure to unauthorized persons (see FAR 3.104-4).	
Agencies may retain order files in any medium (paper, electronic, microfilm, etc.) or any combination of media, as long as the requirements of FAR Subpart 4.8 are satisfied.	
Contracting activities may develop further guidance on tabbing post-award actions tailored to their requirements. The DD form 1597 checklist and the GSA FSS Delivery Task Order Checklist – Administration and Closeout Checklist (located at www.hhs.gov/asfr/ogapa/acquisition/gsa_administration_to_closeout.pdf) list all the required documents and actions required for closing contracts.	
Past Performance Evaluation Process	
Submit past performance information into CPARS within 120 days after completion of order (follow agency policy)	
Past performance threshold for MAS orders is the SAT	
The contract completion past performance evaluations must be prepared when the contractor completes the work under the contract or order. In addition, ordering activities must prepare interim evaluations according to agency requirements for contracts or orders whose period of performance, including options, exceeds one year.	
Ordering activities must prepare an evaluation of contractor performance for each Multiple Award Schedule order that exceeds the simplified acquisition threshold (currently \$150,000). (See FAR 8.406-7 and 42.1502(c)).	
NOTE: The DOD class-deviation on past performance reporting does NOT address 42.1502(c) and does not apply to task or delivery orders issued against multiple award schedules.	
Ordering activities must prepare past performance evaluations for each construction contract of \$650,000 or more, and for each construction contract terminated for default regardless of contract value. Ordering activities may prepare past performance evaluations for construction contracts below \$650,000.	
Agencies do not need to evaluate performance for contracts awarded to organizations for the blind or disabled.	
Except for contracts awarded to organizations for the blind or disabled, Agencies must prepare an evaluation of contractor performance for each contract exceeding:	
❖ \$5,000,000 for systems and operations support contracts	
\$1,000,000 for services and information technology contracts	
❖ \$100,000 for fuel and health care contracts	
There is no minimum dollar threshold for evaluating contractor performance under science and technology contracts.	

Notes	The Process Agencies must provide the contractor with evaluations of performance as soon as practicable after completion of the evaluation.
	Contractors have a minimum of 30 days to submit comments, rebutting statements, or additional information.
	Agencies shall provide for review at a level above the Contracting Officer to consider disagreements between the parties regarding the evaluation. The conclusion on the performance evaluation is a decision of the contracting agency.
	The agency must retain copies of the evaluation, contractor response, and review comments, if any, as part of the evaluation. These evaluations may be used to support future award decisions, and should therefore be marked "Source Selection Information."
	Only government personnel and the contractor whose performance is being evaluated may view the evaluation during the source selection process. Disclosure of such information could cause harm both to the commercial interest of the government and to the competitive position of the contractor being evaluated, as well as impede the efficiency of government operations.
	Ordering activities must review past performance information that is less than three years old and should review information contained in the Federal Awardee Performance and Integrity Information System (FAPIIS, at www.FAPIIS.gov) for terminations for default or cause.
	Solicited and unsolicited unsuccessful offers, quotations, bids, and proposals:
	Relating to contracts above the simplified acquisition threshold:
	If filed separately from contract file, retain until contract is completed
	If not filed separately, then retain for the same as related contract file
	Relating to contracts at or below the simplified acquisition threshold: one year after date of award or until final payment, whichever is later
	Documents pertaining generally to the contractor as described at 4.801(c)(3): Until superseded or obsolete
	Other copies of procurement file records used by component elements of a contracting office for administrative purposes: Upon termination or completion
	Investigations, cases pending or in litigation (including protests), or similar matters: Until final clearance or settlement, or, if related to a document identified in (b)(1)-(9), for the retention period specified for the related document, whichever occurs later.
	NUTS AND BOLTS TIP If information in PPIRS is insufficient to determine acceptable past performance, the ordering activity Contracting Officer has the right to call the other agency's Contracting Officer to get a more complete picture.

Enter Contractor Performance Information



Why Enter Contractor Performance Information?

Past performance information helps the government in making informed future source selection decisions by providing an explanation of a contractor's actions under previously awarded contracts and orders.

Past performance descriptions focus on how well the contractor conformed to contract requirements and to standards of good workmanship; forecasted and controlled costs; adhered to contract schedules, including the administrative aspects of performance; cooperated; acted reasonably; was committed to customer satisfaction; reported into databases; behaved with integrity and high business ethics; and generally looked out for the best interests of the customer.

Agencies must enter and store all past performance evaluations in the Past Performance Information Retrieval System (PPIRS, at www.PPIRS.gov). PPIRS is a Web-enabled, enterprise application that provides timely and pertinent contractor past performance information to the Department of Defense (DOD) and federal acquisition community for use in making source selection decisions. PPIRS assists acquisition officials by serving as the governmentwide single source for contractor past performance data.

Government access is restricted to those individuals who are working on source selections, to include contractor responsibility determinations. Contractors may view only their own data. A contractor must be registered in the Central Contractor Registration (CCR) system and must have created a Marketing Partner Identification Number (MPIN) in the CCR profile to access their PPIRS information. Ordering activities should check with their agencies about submission processes into PPIRS.

When source selection panel members need to review past performance information, they can go to the "View All Reports" feature. The members have access to review reports only while they are on the source selection panel. Once the panel finishes, the PPIRS group manager removes the panel members' authorities to view reports. The panel members' accounts are still in the system and may be reactivated at any time.

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Notes	Topic 2: Order Termination	
	Requirements for Termination	
	To terminate a Schedule order:	
	Review the GSA Schedule contract to identify applicable clauses prior to taking action	
	Include in the order file a record of dates the Schedule contractor received notices and copies of all documentation to and from the contractor	
	When terminating a Schedule order, the ordering activity Contracting Officer:	
	Should review the GSA Schedule contract to identify the applicable clauses before taking any action towards termination	
	Must include, in the order file, a record of dates the contractor received notices. Information from the COTR will support the Contracting Officer	
	Should look for additional information, as needed, in FAR 52.212-4, 8.406-4, and 8.406-5	
	The timing of actions related to order termination can affect the rights of the parties. To clarify the timing of those actions, the order file must include a record of the date any notices described in this section are received by the contractor. When one of these notices is mailed, it must be sent by certified mail, return receipt requested. When the ordering activity arranges for hand delivery of the notice, a written acknowledgement of receipt must be obtained from the contractor. These receipts must be retained in the order file along with a copy of the related notice.	
	Schedule contracts contain clauses that allow ordering activities to terminate task orders with contractors. Ordering activities can terminate orders using one of two options:	
	 Termination for Cause. Cancellation of a contract or any part thereof, because the contractor defaults or fails to comply with any contract terms and conditions, or fails to provide the government, upon request, with adequate assurances of future performance. 	
	Termination for Convenience. Cancellation of a contract or any part thereof, when it is in the government's best interest to do so (e.g., when an item is no longer needed).	
	MAS DESK REFERENCE For more Terminations, refer to the MAS Desk Reference: Section 6.	

Termination for Cause

- FAR Subpart 8.406-4
- The ordering activity has the right to terminate all or part of an order when the contractor defaults or fails to comply with any of the contract terms and conditions, or fails to provide the government, upon request, with adequate assurances of future performance.
- · Ordering activity must notify GSA when:
 - Schedule order is terminated for cause
 - Fraud is suspected

According to the termination for cause terms in FAR 52.212-4 (*Deviation*) and FAR 52.212-4 (*Alternate I*) (*Deviation*), the ordering activity reserves the right to terminate the order, or any part thereof, for cause:

- In the event of any default by the contractor
- ❖ If the contractor fails to comply with any contract term or condition
- If the contractor fails to provide the government (upon request) with adequate assurances of future performance

Schedule orders cannot be terminated for cause if it is determined that a Schedule contractor has a valid excusable failure.

Government/Contractor Liabilities

The ordering agency is not liable for any services or supplies not accepted.

The contractor is liable for all rights and remedies provided by law. The government's preferred remedy is to acquire similar items from another contractor and to charge the defaulted contractor with any excess repurchase costs and any incidental or consequential damages incurred due to the termination.

If the termination remedy is repurchase, and the terminated contractor is charged any excess costs, the ordering activity must repurchase at the lowest price possible, considering the quality required by the government, delivery requirements, and administrative expenses.

When excess costs are anticipated, the ordering activity may withhold funds due to the contractor as offset security. Ordering activities must minimize excess costs to be charged against the contractor and collect or set-off any excess costs owed.

If an ordering activity is unable to collect excess repurchase costs, it must notify the Schedule contracting office after final order payment to the contractor.

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Notes **Termination for Convenience** • FAR Subpart 8.406-5 The ordering activity has the right to terminate all or part of an order when it is in the government's best interest (e.g., when an item is no longer needed) • If the Schedule Contracting Officer terminates any services or supplies covered by the contract: - The contractor **must** complete any orders for those services or supplies - The ordering activity Contracting Officer may terminate the order for convenience The ordering activity Contracting Officer may unilaterally terminate all or part of a Schedule order at any time, with or without giving any reason, for the convenience of the government when it is in the government's best interest (e.g., when an item is no longer needed). Terminating an order has no effect on the Schedule contract. Before terminating an order for convenience, the ordering activity Contracting Officer must try to enter into a no-cost settlement agreement with the Schedule contractor. The Contracting Officer should be able to negotiate a no-cost cancellation in situations where it is in the interest of both parties to the Schedule order, such as in the following circumstances: An off-the-shelf supply has not been shipped No significant work has been expended by the contractor in providing a service or special-order supply, or no work hours have been expended If a no-cost settlement cannot be reached, the Contracting Officer sends a Notice of Termination for Convenience to the contractor. Once the contractor receives the Notice of Termination for Convenience, he/she must immediately stop work and ensure all suppliers and subcontractors cease work. The parties to the Schedule order should mutually agree upon the requirements of the termination settlement quote. The parties must balance the government's need to obtain sufficient documentation to support payment to the contractor against the goals of having a simple and expeditious settlement. Termination for Convenience: Liabilities and Rights When an ordering activity Contracting Officer terminates a GSA Schedule fixed-price order for the government's convenience, the contractor must be paid: The percentage of the contract price reflecting the percentage of the work performed prior to the notice of the termination Reasonable charges the contractor can demonstrate, to the satisfaction of the ordering activity using a standard record keeping system, resulting from the termination

The contractor must not be required to comply with the Cost Accounting Standards Board, Cost Accounting Standards (CAS) or the contract cost principles in FAR Part 31, Contract Cost Principles and Procedures. The government does not have any right to audit the contractor's records solely because of the termination for convenience.	Notes
The contractor must not be paid for any work performed or costs incurred which could have been avoided.	
When an ordering activity Contracting Officer terminates a GSA Schedule LH or T&M	
task order for the government's convenience, the contractor must be paid an amount for direct labor hours (as defined in the GSA Schedule contract and order) determined	
by multiplying the number of direct labor hours expended before the effective date of termination by the hourly rate(s) in the order, less any hourly rate payments already made to the contractor, plus reasonable charges the contractor can demonstrate to the	
satisfaction of the ordering activity, using its standard recordkeeping system, that have resulted from the termination.	
(i) Kurandadaa Oleaska	
When is an order physically complete?	
Answer:	
Knowledge Check 2 You are a Contracting Officer. A member of the ordering activity, who has been tasked	
with writing the contractor evaluation, does not understand why an evaluation needs to be written. Which of the following is a benefit of past performance reporting?	
☐ It fulfills a FAR requirement.	
☐ It provides legal protection to the ordering activity.	
☐ It provides an honest assessment to other governmental organizations considering hiring the contractor.	

Notes	Appendix
	❖ Appendix A – FAR Subpart 8.4
	❖ Appendix B – Blanket Purchase Agreements (BPAs)

Appendix A — FAR Subpart 8.4	Notes
Includes amendments thru FAC 2005-58, effective May 18, 2012	
Subpart 8.4—Federal Supply Schedules	
8.401 Definitions. As used in this subpart—	
"Ordering activity" means an activity that is authorized to place orders, or establish blanket purchase agreements (BPA), against the General Services Administration's (GSA) Multiple Award Schedule contracts. A list of eligible ordering activities is available at www.gsa.gov/schedules (click "For Customers Ordering from Schedules" and then "Eligibility to Use GSA Sources").	
"Multiple Award Schedule (MAS)" means contracts awarded by GSA or the Department of Veterans Affairs (VA) for similar or comparable supplies, or services, established with more than one supplier, at varying prices. The primary statutory authorities for the MAS program are Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251, et seq.) and Title 40 U.S.C. 501, Services for Executive Agencies.	
"Requiring agency" means the agency needing the supplies or services.	
"eLibrary" means the online source for GSA and VA Federal Supply Schedule contract award information. eLibrary may be accessed at www.gsaelibrary.gsa.gov.	
"Special Item Number (SIN)" means a group of generically similar (but not identical) supplies or services that are intended to serve the same general purpose or function.	
8.402 General. (a) The Federal Supply Schedule program is also known as the GSA Schedules Program or the Multiple Award Schedule Program. The Federal Supply Schedule program is directed and managed by GSA and provides federal agencies (see 8.002) with a simplified process for obtaining commercial supplies and services at prices associated with volume buying. Indefinite delivery contracts are awarded to provide supplies and services at stated prices for given periods of time. GSA may delegate certain responsibilities to other agencies (e.g., GSA has delegated authority to the VA to procure medical supplies under the VA Federal Supply Schedules program). Orders issued under the VA Federal Supply Schedule program are covered by this subpart. Additionally, the Department of Defense (DoD) manages similar systems of Schedule-type contracting for military items; however, DoD systems are not covered by this subpart.	
(b) GSA Schedule contracts require all Schedule contractors to publish an "Authorized Federal Supply Schedule Pricelist" (pricelist). The pricelist contains all supplies and services offered by a Schedule contractor. In addition each pricelist contains the pricing and the terms and conditions pertaining to each Special Item Number that is on Schedule. The Schedule contractor	,

is required to provide one copy of its pricelist to any ordering activity upon

Notes		request. Also, a copy of the pricelist may be obtained from the Federal Supply Service by submitting a written email request to schedules.infocenter@gsa.gov or by telephone at 1-800-488-3111. This subpart, together with the pricelists, contain necessary information for placing delivery or task orders with Schedule contractors. In addition, the GSA Schedule contracting office issues Federal Supply Schedules publications that contain a general overview of the Federal Supply Schedule (FSS) program and address pertinent topics. Ordering activities may request copies of Schedules publications by contacting the Centralized Mailing List Service through the Internet at www.gsa.gov/cmls, submitting written email requests to CMLS@gsa.gov; or by completing GSA Form 457, FSS Publications Mailing List Application, and mailing it to the GSA Centralized Mailing List Service (7SM), P.O. Box 6477, Fort Worth, TX 76115. Copies of GSA Form 457 may also be obtained from the above-referenced points of contact.
	(c)	(1) GSA offers an online shopping service called "GSAAdvantage!®" through which ordering activities may place orders against Schedules. (Ordering activities may also use GSAAdvantage!® to place orders through GSA Global Supply™, a GSA wholesale supply source, formerly known as "GSA Stock" or the "Customer Supply Center." FAR Subpart 8.4 is not applicable to orders placed through GSA Global Supply™.) Ordering activities may access GSAAdvantage!® through the GSA Federal Supply Service Home Page (www.gsa.gov/fas) or the GSA Federal Supply Schedule Home Page at www.gsa.gov/schedules.
		(2) GSAAdvantage!® enables ordering activities to search specific information (i.e., national stock number, part number, common name), review delivery options, place orders directly with Schedule contractors (except see 8.405-6) and pay for orders using the governmentwide commercial purchase card.
	(d)	(1) eBuy, GSA's electronic Request for Quotation (RFQ) system, is a part of a suite of online tools which complement GSA <i>Advantage!</i> ® eBuy allows ordering activities to post requirements, obtain quotes, and issue orders electronically. Posting an RFQ on eBuy—
		 (i) Is one medium for providing fair notice to all Schedule contractors offering such supplies and services as required by 8.405-1, 8.405-2, and 8.405-3; and
		(ii) Is required when an order contains brand-name specifications (see 8.405-6).
		(2) Ordering activities may access eBuy at www.ebuy.gsa.gov . For more information or assistance on either GSA dvantage! or eBuy, contact GSA at Internet email address gsa.advantage@gsa.gov .
	(e)	For more information or assistance regarding the Federal Supply Schedule Program, review the following website: www.gsa.gov/schedules. Additionally, for online training courses regarding the Schedules Program, review the following website: www.gsa.gov/training.

(f)	For administrative convenience, an ordering activity Contracting Officer may add items not on the Federal Supply Schedule (also referred to as open market items) to a Federal Supply Schedule blanket purchase agreement (BPA) or an individual task or delivery order only if—	Notes
	(1) All applicable acquisition regulations pertaining to the purchase of the items not on the Federal Supply Schedule have been followed (e.g., publicizing (Part 5), competition requirements (Part 6), acquisition of commercial items (Part 12), contracting methods (Parts 13, 14, and 15), and small business programs (Part 19));	
	(2) The ordering activity Contracting Officer has determined the price for the items not on the Federal Supply Schedule is fair and reasonable;	
	(3) The items are clearly labeled on the order as items not on the Federal Supply Schedule; and	
	(4) All clauses applicable to items not on the Federal Supply Schedule are included in the order.	
(g)	When using the governmentwide commercial purchase card as a method of payment, orders at or below the micro-purchase threshold are exempt from verification in the Central Contractor Registration (CCR) database as to whether the contractor has a delinquent debt subject to collection under the Treasury Offset Program (TOP).	
	Applicability.	
(a)	Procedures in this subpart apply to—	
	(1) Individual orders for supplies or services placed against Federal Supply Schedules contracts; and	
	(2) BPAs established against Federal Supply Schedule contracts.	
(b)	GSA may establish special ordering procedures for a particular Schedule. In this case, that Schedule will specify those special ordering procedures. Unless	
	otherwise noted, special ordering procedures established for a Federal Supply Schedule take precedence over the procedures in 8.405.	
(c)	In accordance with section 1427(b) of Public Law 108-136, for requirements that substantially or to a dominant extent specify performance of architect-engineer services (as defined in 2.101), agencies—	
	(1) Shall use the procedures at Subpart 36.6; and	
	(2) Shall not place orders for such requirements under a Federal Supply Schedule.	
8.404	Use of Federal Supply Schedules.	
(a)	General. Parts 13 (except 13.303-2(c)(3)), 14, 15, and 19 (except for the requirement at 19.202-1(e)(1)(iii)) do not apply to BPAs or orders placed against Federal Supply Schedules contracts (but see 8.405-5). BPAs and orders placed against a MAS, using the procedures in this subpart, are considered to be issued using full and open competition (see 6.102(d)(3)). Therefore, when establishing a BPA (as authorized by 13.303-2(c)(3)), or placing orders under	

Notes		Federal Supply Schedule contracts using the procedures of 8.405, ordering activities shall not seek competition outside of the Federal Supply Schedules or synopsize the requirement; but see paragraph (g) of this section.
	(b)	(1) The Contracting Officer, when placing an order or establishing a BPA, is responsible for applying the regulatory and statutory requirements applicable to the agency for which the order is placed or the BPA is established. The requiring agency shall provide the information on the applicable regulatory and statutory requirements to the Contracting Officer responsible for placing the order.
		(2) For orders over \$500,000, see subpart 17.5 for additional requirements for interagency acquisitions. For example, the requiring agency shall make a determination that use of the Federal Supply Schedule is the best procurement approach, in accordance with 17.502-1(a).
	(c)	Acquisition planning. Orders placed under a Federal Supply Schedule contract—
		(1) Are not exempt from the development of acquisition plans (see Subpart 7.1), and an information technology acquisition strategy (see Part 39);
		(2) Must comply with all FAR requirements for a bundled contract when the order meets the definition of "bundled contract" (see 2.101(b)); and
		(3) Must, whether placed by the requiring agency, or on behalf of the requiring agency, be consistent with the requiring agency's statutory and regulatory requirements applicable to the acquisition of the supply or service.
	(d)	Pricing. Supplies offered on the Schedule are listed at fixed prices. Services offered on the Schedule are priced either at hourly rates, or at a fixed price for performance of a specific task (e.g., installation, maintenance, and repair). GSA has already determined the prices of supplies and fixed-price services, and rates for services offered at hourly rates, under Schedule contracts to be fair and reasonable. Therefore, ordering activities are not required to make a separate determination of fair and reasonable pricing, except for a price evaluation as required by 8.405-2(d). By placing an order against a Schedule contract using the procedures in 8.405, the ordering activity has concluded that the order represents the best value (as defined in FAR 2.101) and results in the lowest overall cost alternative (considering price, special features, administrative costs, etc.) to meet the Government's needs. Although GSA has already negotiated fair and reasonable pricing, ordering activities may seek additional discounts before placing an order (see 8.405-4).
	(e)	The procedures under subpart 33.1 are applicable to the issuance of an order or the establishment of a BPA against a Schedule contract.
	(f)	If the ordering activity issues an RFQ, the ordering activity shall provide the RFQ to any Schedule contractor that requests a copy of it.
	(g)	(1) Ordering activities shall publicize contract actions funded in whole or in part by the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5):

		(i)	Notices of proposed MAS orders (including orders issued under BPAs) that are for "informational purposes only" exceeding \$25,000 shall follow the procedures in 5.704 for posting orders.	Notes
		(ii)	Award notices for MAS orders (including orders issued under BPAs) shall follow the procedures in 5.705.	
	(2)	with and	en an order is awarded or a Blanket Purchase Agreement is established an estimated value greater than the simplified acquisition threshold supported by a limited-source justification at 8.405-6(a), the ordering vity Contracting Officer must—	
		(i)	Publicize the action (see 5.301); and	
		(ii)	Post the justification in accordance with 8.405-6(a)(2).	
(h)	Тур	oe-of-	-order preference for services.	
	(1)	time	ordering activity shall specify the order type (i.e., firm-fixed price, e-and-materials, or labor-hour) for the services offered on the Schedule ed at hourly rates.	
	(2)	_	ncies shall use fixed-price orders for the acquisition of commercial ices to the maximum extent practicable.	
	(3)	(i)	A time-and-materials or labor-hour order may be used for the acquisition of commercial services only when it is not possible at the time of placing the order to estimate accurately the extent or duration of the work or to anticipate costs with any reasonable degree of confidence.	
		(ii)	Prior to the issuance of a time-and-materials or labor-hour order, the Contracting Officer shall—	
			 (A) Execute a determination and findings (D&F) for the order, in accordance with paragraph (h)(3)(iii) of this section that a fixed- price order is not suitable; 	
			(B) Include a ceiling price in the order that the contractor exceeds at its own risk; and	
			(C) When the total performance period, including options, is more than three years, the D&F prepared in accordance with this paragraph shall be signed by the Contracting Officer and approved by the head of the contracting activity prior to the execution of the base period.	
		(iii)	The D&F required by paragraph (h)(3)(ii)(A) of this section shall contain sufficient facts and rationale to justify that a fixed-price order is not suitable. At a minimum, the D&F shall—	
			(A) Include a description of the market research conducted (see 8.404(c) and 10.002(e));	

Notes	(B) Establish that it is not possible at the time of placing the order to accurately estimate the extent or duration of the work or anticipate costs with any reasonable degree of confidence;
	(C) Establish that the current requirement has been structured to maximize the use of fixed-price orders (e.g., by limiting the value or length of the time-and-materials/labor-hour order; or, establishing fixed prices for portions of the requirement) on future acquisitions for the same or similar requirements; and
	(D) Describe actions to maximize the use of fixed-price orders on future acquisitions for the same requirements.
	(iv) The Contracting Officer shall authorize any subsequent change in the order ceiling price only upon a determination, documented in the order file, that it is in the best interest of the ordering activity to change the ceiling price.
	8.405 Ordering procedures for Federal Supply Schedules. Ordering activities shall use the ordering procedures of this section when placing an order or establishing a BPA for supplies or services. The procedures in this section apply to all Schedules. For establishing BPAs and for orders under BPAs see 8.405-3.
	8.405-1 Ordering procedures for supplies, and services not requiring a
	statement of work. (a) Ordering activities shall use the procedures of this subsection when ordering supplies and services that are listed in the Schedules contracts at a fixed price for the performance of a specific task, where a statement of work is not required (e.g., installation, maintenance, and repair). For establishing BPAs and for orders under BPAs see 8.405-3.
	(b) Orders at or below the micro-purchase threshold. Ordering activities may place orders at, or below, the micro-purchase threshold with any Federal Supply Schedule contractor that can meet the agency's needs. Although not required to solicit from a specific number of Schedule contractors, ordering activities should attempt to distribute orders among contractors.
	(c) Orders exceeding the micro-purchase threshold but not exceeding the simplified acquisition threshold. Ordering activities shall place orders with the Schedule contractor that can provide the supply or service that represents the best value. Before placing an order, an ordering activity shall:
	(1) Consider reasonably available information about the supply or service offered under MAS contracts by surveying at least three Schedule contractors through the GSAAdvantage!® online shopping service, by reviewing the catalogs or pricelists of at least three Schedule contractors, or by requesting quotations from at least three Schedule contractors (see 8.405-5); or
	(2) Document the circumstances for restricting consideration to fewer than three Schedule contractors based on one of the reasons at 8.405-6(a);

(d)	Foi	proposed orders exceeding the simplified acquisition threshold.	Notes			
	(1)	Each order shall be placed on a competitive basis in accordance with (d)(2) and (3) of this section, unless this requirement is waived on the basis of a justification that is prepared and approved in accordance with 8.405-6.				
	(2)	The ordering activity Contracting Officer shall provide an RFQ that includes a description of the supplies to be delivered or the services to be performed and the basis upon which the selection will be made (see8.405-1(f)).				
	(3)	The ordering activity Contracting Officer shall —				
		(i) Post the RFQ on eBuy to afford all Schedule contractors offering the required supplies or services under the appropriate Multiple Award Schedule(s) an opportunity to submit a quote; or				
		(ii) Provide the RFQ to as many Schedule contractors as practicable, consistent with market research appropriate to the circumstances, to reasonably ensure that quotes will be received from at least three contractors that can fulfill the requirements. When fewer than three quotes are received from Schedule contractors that can fulfill the requirement, the Contracting Officer shall prepare a written determination explaining that no additional contractors capable of fulfilling the requirement could be identified despite reasonable efforts to do so. The determination must clearly explain efforts made to obtain quotes from at least three Schedule contractors.				
	(4)	The ordering activity Contracting Officer shall ensure that all quotes received are fairly considered and award is made in accordance with the basis for selection in the RFQ.				
(e)	sha red	When an order contains brand-name specifications, the Contracting Officer shall post the RFQ on eBuy along with the justification or documentation, as required by 8.405-6. An RFQ is required when a purchase description specifies a brand-name.				
(f)		addition to price (see 8.404(d) and 8.405-4), when determining best value, the ering activity may consider, among other factors, the following:				
	(1)	Past performance.				
	(2)	Special features of the supply or service required for effective program performance.				
	(3)	Trade-in considerations.				
	(4)	Probable life of the item selected as compared with that of a comparable item.				
	(5)	Warranty considerations.				
	(6)	Maintenance availability.				
	(7)	Environmental and energy efficiency considerations.				
	(8)	Delivery terms.				

Notes	(g)	Minimun	n documentation. The ordering activity shall document—
		• •	Schedule contracts considered, noting the contractor from which the ply or service was purchased;
		(2) A de	escription of the supply or service purchased;
		(3) The	amount paid;
			en an order exceeds the simplified acquisition threshold, evidence of pliance with the ordering procedures at 8.405-1(d); and
		(5) The	basis for the award decision.
	8.405- (a)	General. ordering contract Schedul	Ordering activities shall use the procedures in this subsection when services priced at hourly rates as established by the Schedule s. The applicable services will be identified in the Federal Supply e publications and the contractor's pricelists. For establishing BPAs orders under BPAs see 8.405-3.
	(b)	of work t schedule (e.g., see	ets of Work (SOWs). All Statements of Work shall include a description to be performed; location of work; period of performance; deliverable e; applicable performance standards; and any special requirements curity clearances, travel, special knowledge). To the maximum extent ble, agency requirements shall be performance-based statements (see 37.6).
	(c)	for Quot criteria (offer ser	for Quotation procedures. The ordering activity must provide the Request ation (RFQ), which includes the statement of work and evaluation e.g., experience and past performance), to Schedule contractors that vices that will meet the agency's needs. The RFQ may be posted to lectronic RFQ system, eBuy (see 8.402(d)).
		orde Sche	rs at, or below, the micro-purchase threshold. Ordering activities may place irs at, or below, the micro-purchase threshold with any Federal Supply edule contractor that can meet the agency's needs. The ordering rity should attempt to distribute orders among contractors.
			orders exceeding the micro-purchase threshold, but not exceeding the simplified isition threshold.
		(i)	The ordering activity shall develop a statement of work, in accordance with 8.405-2(b).
		(ii)	The ordering activity shall provide the RFQ (including the statement of work and evaluation criteria) to at least three Schedule contractors that offer services that will meet the agency's needs or document the circumstances for restricting consideration to fewer than three Schedule contractors based on one of the reasons at 8.405-6(a).
		(iii)	The ordering activity shall specify the type of order (i.e., firm-fixed-price, labor-hour) for the services identified in the statement of work. The Contracting Officer should establish firm-fixed-prices, as appropriate.

(3)	In ac	lditio	osed orders exceeding the simplified acquisition threshold. on to meeting the requirements of 8.405-2(c)(2)(i) and (iii), the g procedures apply:	Notes
	(i)	(c)(on t	th order shall be placed on a competitive basis in accordance with 3)(ii) and (iii) of this section, unless this requirement is waived the basis of a justification that is prepared and approved in ordance with 8.405-6.	
	(ii)		e ordering activity Contracting Officer shall provide an RFQ that ludes a statement of work and the evaluation criteria.	
	(iii)	The	e ordering activity Contracting Officer shall—	
		(A)	Post the RFQ on eBuy to afford all Schedule contractors offering the required services under the appropriate Multiple Award Schedule(s) an opportunity to submit a quote; or	
			Provide the RFQ to as many Schedule contractors as practicable, consistent with market research appropriate to the circumstances, to reasonably ensure that quotes will be received from at least three contractors that can fulfill the requirements. When fewer than three quotes are received from Schedule contractors that can fulfill the requirements, the Contracting Officer shall prepare a written determination to explain that no additional contractors capable of fulfilling the requirements could be identified despite reasonable efforts to do so. The determination must clearly explain efforts made to obtain quotes from at least three Schedule contractors. Ensure all quotes received are fairly considered and award is	
(4)		the e	made in accordance with the evaluation criteria in the RFQ. ering activity shall provide the RFQ (including the statement of work evaluation criteria) to any Schedule contractor who requests a copy	
eva is r to p is r bes pro req alo	espo perfo easo st vali pvide juests ne, a	on cr nsibl rm a nable ue (s timel s info	ne ordering activity shall evaluate all responses received using the riteria provided to the Schedule contractors. The ordering activity le for considering the level of effort and the mix of labor proposed specific task being ordered, and for determining that the total price e. Place the order with the Schedule contractor that represents the ee 8.404(d) and 8.405-4). After award, ordering activities should by notification to unsuccessful offerors. If an unsuccessful offeror ormation on an award that was based on factors other than price of explanation of the basis for the award decision shall be provided.	
tim	e-an	d-ma	terials or labor-hour order for services, see 8.404(h).	
			The state of the s	

(d)

(e)

(f)

Notes	(1)	The Schedule contracts considered, noting the contractor from which the service was purchased;				
	(2)	A description of the service purchased;				
	(3)	The amount paid;				
	(4)	The evaluation methodology used in selecting the contractor to receive the order;				
	(5)	The rationale for any tradeoffs in making the selection;				
	(6)	The price reasonableness determination required by paragraph (d) of this subsection;				
	(7)	The rationale for using other than—				
		(i) A firm-fixed price order; or				
		(ii) A performance-based order; and				
	(8)	When an order exceeds the simplified acquisition threshold, evidence of compliance with the ordering procedures at 8.405-2(c).				
		8.405-3 Blanket purchase agreements (BPAs). (a) Establishment.				
	(1)	Ordering activities may establish BPAs under any Schedule contract to fill repetitive needs for supplies or services. Ordering activities shall establish the BPA with the Schedule contractor(s) that can provide the supply or service that represents the best value.				
	(2)	In addition to price (see 8.404(d) and 8.405-4), when determining best value, the ordering activity may consider, among other factors, the following:				
		(i) Past performance.				
		(ii) Special features of the supply or service required for effective program performance.				
		(iii) Trade-in considerations.				
		(iv) Probable life of the item selected as compared with that of a comparable item.				
		(v) Warranty considerations.				
		(vi) Maintenance availability.				
		(vii) Environmental and energy efficiency considerations.				
		(viii) Delivery terms.				
	(3)	(i) The ordering activity Contracting Officer shall, to the maximum extent practicable, give preference to establishing multiple-award BPAs, rather than establishing a single-award BPA.				
		(ii) No single-award BPA with an estimated value exceeding \$103 million (including any options), may be awarded unless the head of the agency determines in writing that—				

		(A)	The orders expected under the BPA are so integrally related that only a single source can reasonably perform the work;	Notes	
		(B)	The BPA provides only for firm-fixed priced orders for—		
			(1) Products with unit prices established in the BPA; or		
			(2) Services with prices established in the BPA for specific tasks to be performed;		
		(C)	Only one source is qualified and capable of performing the work at a reasonable price to the Government; or		
		(D)	It is necessary in the public interest to award the BPA to a single source for exceptional circumstances.		
	(iii)	thar limi	requirement for a determination for a single-award BPA greater a \$103 million is in addition to any applicable requirement for a ted-source justification at 8.405-6. However, the two documents be combined into one document.		
	(iv)	a sir	etermining how many multiple-award BPAs to establish or that ngle-award BPA is appropriate, the Contracting Officer should sider the following factors and document the decision in the uisition plan or BPA file:		
		(A)	The scope and complexity of the requirement(s);		
		(B)	The benefits of on-going competition and the need to periodically compare multiple technical approaches or prices;		
		(C)	The administrative costs of BPAs; and		
		(D)	The technical qualifications of the Schedule contractor(s).		
(4)	requ	irem	all address the frequency of ordering, invoicing, discounts, ents (e.g., estimated quantities, work to be performed), delivery, and time.		
(5)		roce	tablishing multiple-award BPAs, the ordering activity shall specify dures for placing orders under the BPAs in accordance with (2).		
(6)	Establishment of a multi-agency BPA against a Federal Supply Schedule contract is permitted if the multi-agency BPA identifies the participating agencies and their estimated requirements at the time the BPA is established.				
(7)			documentation. The ordering activity Contracting Officer shall the BPA file documentation the—		
	(i)		edule contracts considered, noting the contractor to which the was awarded;		
	(ii)	Des	cription of the supply or service purchased;		

Notes		(iii) Pr	ice;	
			equired plicab	I justification for a limited-source BPA (see 8.405-6), if le;
		• •		nation for a single-award BPA exceeding \$103 million, if le (see (a)(3)(ii));
				ntation supporting the decision to establish multiple-award a single-award BPA (see (a)(3)(iv));
				of compliance with paragraph (b) of this section, for ively awarded BPAs, if applicable; and
		m an	ethodo y trade	the award decision. This should include the evaluation logy used in selecting the contractor, the rationale for eoffs in making the selection, and a price reasonableness ation for services requiring a statement of work.
		-		ures for establishing a BPA. This paragraph applies to the BPA, in addition to applicable instructions in paragraph (a).
	(1)	of this p that are of a spe	oaragra listed ecific ta	d for services not requiring a statement of work. The procedures aph apply when establishing a BPA for supplies and services in the Schedule contract at a fixed price for the performance ask, where a statement of work is not required (e.g., aintenance, and repair).
				imated value of the BPA does not exceed the simplified on threshold.
		(Α	.) The	ordering activity shall:
			(1)	Consider reasonably available information about the supply or service offered under MAS contracts by surveying at least three Schedule contractors through the GSAAdvantage!® online shopping service, by reviewing the catalogs or pricelists of at least three Schedule contractors, or by requesting quotations from at least three Schedule contractors (see 8.405-5); or
			(2)	Document the circumstances for restricting consideration to fewer than three Schedule contractors based on one of the reasons at 8.405-6(a).
		(B		ordering activity shall establish the BPA with the Schedule tractor(s) that can provide the best value.
				mated value of the BPA exceeds the simplified acquisition threshold.
		(Δ	to be	II provide an RFQ that includes a description of the supplies e delivered or the services to be performed and the basis n which the selection will be made.

	(B) (1) Shall post the RFQ on eBuy to afford all Schedule contractors offering the required supplies or services under the appropriate Multiple Award Schedule(s) an opportunity to submit a quote; or		Notes		
			(2)	Shall provide the RFQ to as many Schedule contractors as practicable, consistent with market research appropriate to the circumstances, to reasonably ensure that quotes will be received from at least three contractors that can fulfill the requirements. When fewer than three quotes are received from Schedule contractors that can fulfill the requirements, the Contracting Officer shall prepare a written determination explaining that no additional contractors capable of fulfilling the requirements could be identified despite reasonable efforts to do so. The determination must clearly explain efforts made to obtain quotes from at least three Schedule contractors.	
	((i	s mado After s	nsure all quotes received are fairly considered and award e in accordance with the basis for selection in the RFQ. eeking price reductions (see 8.405-4), establish the BPA e Schedule contractor(s) that provides the best value.	
	1)	(1)(ii)(E on the	PA must be established in accordance with paragraphs (b) 8) and (C) of this section, unless the requirement is waived basis of a justification that is prepared and approved in ance with 8.405-6.	
(2)	a BPA Sched	that ule c	requir contrac	ing a statement of work. This applies when establishing res services priced at hourly rates, as provided by the ct. The applicable services will be identified in the Federal publications and the contractor's pricelists.	
	s o d s k	tate f wo elive peci now	ment o rk to b erable al requ ledge)	of Work (SOWs). The ordering activity shall develop a of work. All Statements of Work shall include a description be performed; location of work; period of performance; schedule; applicable performance standards; and any direments (e.g., security clearances, travel, and special and the maximum extent practicable, agency requirements formance-based statements (see subpart 37.6).	
	ty th C	ype (ne se Office xten	(i.e., fir ervices er sho t pract	or preference. The ordering activity shall specify the order em-fixed price, time-and-materials, or labor-hour) for sidentified in the statement of work. The Contracting all establish firm-fixed priced orders to the maximum ticable. For time-and-materials and labor-hour orders, the officer shall follow the procedures at 8.404(h).	
				Quotation procedures. The ordering activity must provide the includes the statement of work and evaluation criteria	

Notes			(e.g., experience and past performance), to Schedule contractors that offer services that will meet the agency's needs. The RFQ may be posted to GSA's electronic RFQ system, eBuy (see 8.402(d)).
		(iv)	If the estimated value of the BPA does not exceed the simplified acquisition threshold. The ordering activity shall provide the RFQ (including the statement of work and evaluation criteria) to at least three Schedule contractors that offer services that will meet the agency's needs.
		(v)	If estimated value of the BPA exceeds the simplified acquisition threshold. The ordering activity Contracting Officer—
			(A) Shall post the RFQ on eBuy to afford all Schedule contractors offering the required supplies or services under the appropriate Multiple Award Schedule an opportunity to submit a quote; or
			(B) Shall provide the RFQ, which includes the statement of work and evaluation criteria, to as many Schedule contractors as practicable, consistent with market research appropriate to the circumstances, to reasonably ensure that quotes will be received from at least three contractors that can fulfill the requirements. When fewer than three quotes are received from Schedule contractors that can fulfill the requirements, the Contracting Officer shall document the file. The Contracting Officer shall prepare a written determination explaining that no additional contractors capable of fulfilling the requirements could be identified despite reasonable efforts to do so. The determination must clearly explain efforts made to obtain quotes from at least three Schedule contractors.
		(vi)	The ordering activity Contracting Officer shall ensure all quotes received are fairly considered and award is made in accordance with the basis for selection in the RFQ. The ordering activity is responsible for considering the level of effort and the mix of labor proposed to perform, and for determining that the proposed price is reasonable.
		(vii)	The BPA must be established in accordance with paragraph (b)(2) (iv) or (v), and with paragraph (b)(2)(vi) of this section, unless the requirement is waived on the basis of a justification that is prepared and approved in accordance with 8.405-6.
		(viii)	The ordering activity Contracting Officer shall establish the BPA with the Schedule contractor(s) that represents the best value (see 8.404(d) and 8.405-4).
	(3)	unsu on a	r award, ordering activities should provide timely notification to accessful offerors. If an unsuccessful offeror requests information award that was based on factors other than price alone, a brief anation of the basis for the award decision shall be provided.

BF	Ordering from BPAs. The procedures in this paragraph (c) are not required for BPAs established on or before May 16, 2011. However, ordering activities are encouraged to use the procedures for such BPAs.						
(1)		<i>le-aw</i> iorize n the					
(2)	Mul	tiple-a	award BPAs.				
	(i)	acti with acti	lers at or below the micro-purchase threshold. The ordering wity may place orders at or below the micro-purchase threshold an any BPA holder that can meet the agency needs. The ordering wity should attempt to distribute any such orders among the BPA ders.				
	(ii)		lers exceeding the micro-purchase threshold but not exceeding the plified acquisition threshold.				
		(A)	The ordering activity must provide each multiple-award BPA holder a fair opportunity to be considered for each order exceeding the micro-purchase threshold, but not exceeding the simplified acquisition threshold unless one of the exceptions at 8.405-6(a)(1)(i) applies.				
		(B)	The ordering activity need not contact each of the multiple-award BPA holders before placing an order if information is available to ensure that each BPA holder is provided a fair opportunity to be considered for each order.				
		(C)	The ordering activity Contracting Officer shall document the circumstances when restricting consideration to less than all multiple-award BPA holders offering the required supplies and services.				
	(iii)	Ord	lers exceeding the simplified acquisition threshold.				
		(A)	The ordering activity shall place an order in accordance with paragraphs (c)(2)(iii)(A)(1), (2) and (3) of this paragraph, unless the requirement is waived on the basis of a justification that is prepared and approved in accordance with 8.405-6. The ordering activity shall—				
			(1) Provide an RFQ to all BPA holders offering the required supplies or services under the multiple-award BPAs, to include a description of the supplies to be delivered or the services to be performed and the basis upon which the selection will be made;				
			(2) Afford all BPA holders responding to the RFQ an opportunity to submit a quote; and				
			(3) Fairly consider all responses received and make award in accordance with the selection procedures.				

Notes	(B) The ordering activity shall document evidence of compliance with these procedures and the basis for the award decision.
	(3) BPAs for hourly-rate services. If the BPA is for hourly-rate services, the ordering activity shall develop a statement of work for each order covered by the BPA. Ordering activities should place these orders on a firm-fixed price basis to the maximum extent practicable. For time-and-materials and labor-hour orders, the Contracting Officer shall follow the procedures at 8.404(h). All orders under the BPA shall specify a price for the performance of the tasks identified in the statement of work. The ordering activity is responsible for considering the level of effort and the mix of labor proposed to perform a specific task being ordered, and for determining that the total price is reasonable through appropriate analysis techniques, and documenting the file accordingly.
	(d) Duration of BPAs.
	(1) Multiple-award BPAs generally should not exceed five years in length, but may do so to meet program requirements.
	(2) A single-award BPA shall not exceed one year. It may have up to four one-year options. See paragraph (e) of this section for requirements associated with option exercise.
	(3) Contractors may be awarded BPAs that extend beyond the current term of their GSA Schedule contract, so long as there are option periods in their GSA Schedule contract that, if exercised, will cover the BPA's period of performance.
	(e) Review of BPAs.
	(1) The ordering activity Contracting Officer shall review the BPA and determine in writing, at least once a year (e.g., at option exercise), whether—
	(i) The Schedule contract, upon which the BPA was established, is still in effect;
	(ii) The BPA still represents the best value (see 8.404(d)); and
	(iii) Estimated quantities/amounts have been exceeded and additional price reductions can be obtained.
	(2) The determination shall be included in the BPA file documentation.
	8.405-4 Price reductions.
	Ordering activities may request a price reduction at any time before placing an order, establishing a BPA, or in conjunction with the annual BPA review. However, the ordering activity shall seek a price reduction when the order or BPA exceeds the simplified acquisition threshold. Schedule contractors are not required to pass on to all Schedule users a price reduction extended only to an individual ordering activity for a specific order or BPA.

8.405-5 (a)	Alt	hougl	usiness. In the preference programs of part 19 are not mandatory in this subpart, Ilance with section 1331 of Public Law 111-240 (15 U.S.C. 644(r))—	Notes			
	(1)	Orde	ring activity Contracting Officers may, at their discretion—				
		(i)	Set aside orders for any of the small business concerns identified in 19.000(a)(3); and				
		(ii)	Set aside BPAs for any of the small business concerns identified in 19.000(a)(3).				
	(2)	Whe	n setting aside orders and BPAs—				
			Follow the ordering procedures for Federal Supply Schedules at 8.405-1, 8.405-2, and 8.405-3; and				
		(ii)	The specific small business program eligibility requirements identified in part 19 apply.				
(b)	Orders placed against Schedule contracts may be credited toward the ordering activity's small business goals. For purposes of reporting an order placed with a small business Schedule contractor, an ordering agency may only take credit if the awardee meets a size standard that corresponds to the work performed. Ordering activities should rely on the small business representations made by Schedule contractors at the contract level.						
(c)	Ordering activities may consider socio-economic status when identifying contractor(s) for consideration or competition for award of an order or BPA. At a minimum, ordering activities should consider, if available, at least one small business, veteran-owned small business, service disabled veteran-owned small business, or small disadvantaged business Schedule contractor(s). GSAAdvantage!® and eLibrary at www.gsa.gov/fas contain information on the small business representations of Schedule contractors.						
(d)	give	e pref	rs exceeding the micro-purchase threshold, ordering activities should erence to the items of small business concerns when two or more the same delivered price will satisfy the requirement.				
Orders the req	pla uire	ced or ments	g sources. BPAs established under Federal Supply Schedules are exempt from in part 6. However, an ordering activity must justify its action when deration in accordance with paragraphs (a) or (b) of this section—				
(a)			r BPAs exceeding the micro-purchase threshold based on a limited justification.				
	(1)	Circu	ımstances justifying limiting the source.				
		(i)	For a proposed order or BPA with an estimated value exceeding the micro-purchase threshold not placed or established in accordance with the procedures in 8.405-1, 8.405-2, or 8.405-3, the only circumstances that may justify the action are—				

Notes		(A	 An urgent and compelling need exists, and following the procedures would result in unacceptable delays;
		(E	3) Only one source is capable of providing the supplies or services required at the level of quality required because the supplies or services are unique or highly specialized; or
		(0	In the interest of economy and efficiency, the new work is a logical follow-on to an original Federal Supply Schedule order provided that the original order was placed in accordance with the applicable Federal Supply Schedule ordering procedures. The original order or BPA must not have been previously issued under sole-source or limited-sources procedures.
			ee 8.405-6(c) for the content of the justification for an order or BPA xceeding the simplified acquisition threshold.
	(2)	Posting	g.
		th so	Vithin 14 days after placing an order or establishing a BPA exceeding ne simplified acquisition threshold that is supported by a limitedources justification permitted under any of the circumstances under aragraph (a)(1) of this section, the ordering activity shall—
		(A	A) Publish a notice in accordance with 5.301; and
		(E	B) Post the justification—
			(1) At the GPE www.fedbizopps.gov;
			(2) On the Web site of the ordering activity agency, which may provide access to the justification by linking to the GPE; and
			(3) For a minimum of 30 days.
		of	n the case of an order or BPA permitted under paragraph (a)(1)(i)(A) f this section, the justification shall be posted within 30 days after ward.
		co re da C di A in th "F In po	contracting Officers shall carefully screen all justifications for contractor proprietary data and remove all such data, and such eferences and citations as are necessary to protect the proprietary ata, before making the justifications available for public inspection. Contracting Officers shall also be guided by the exemptions to isclosure of information contained in the Freedom of Information act (5 U.S.C. 552) and the prohibitions against disclosure in 24.202 in determining whether other data should be removed. Although the submitter notice process set out in Executive Order 12600 Predisclosure Notification Procedures for Confidential Commercial information" does not apply, if the justification appears to contain reprietary data, the Contracting Officer should provide the contractor that submitted the information an opportunity to review
		th	ne justification for proprietary data before making the justification

			available for public inspection, redacted as necessary. This process must not prevent or delay the posting of the justification in accordance with the timeframes required in paragraphs (a)(2)(i) and (ii) of this section.	Notes					
		(iv)	This posting requirement does not apply when disclosure would compromise the national security (e.g., would result in disclosure of classified information) or create other security risks.						
(b)	be ma	a par ınufac	culiar to one manufacturer. An item peculiar to one manufacturer can ticular brand name, product, or a feature of a product, peculiar to one cturer). A brand name item, whether available on one or more Schedule is, is an item peculiar to one manufacturer.						
	(1)	nam and proc	nd name specifications shall not be used unless the particular brand e, product, or feature is essential to the Government's requirements, market research indicates other companies' similar products, or lucts lacking the particular feature, do not meet, or cannot be modified eet, the agency's needs.						
	(2)	Doce	imentation.						
		(i)	For proposed orders or BPAs with an estimated value exceeding the micro-purchase threshold, but not exceeding the simplified acquisition threshold, the ordering activity Contracting Officer shall document the basis for restricting consideration to an item peculiar to one manufacturer.						
		(ii)	For proposed orders or BPAs with an estimated value exceeding the simplified acquisition threshold, see paragraph (c) of this section.						
		(iii)	The documentation or justification must be completed and approved at the time the requirement for a brand-name item is determined. In addition, the justification for a brand-name item is required at the order level when a justification for the brand-name item was not completed for the BPA or does not adequately cover the requirements in the order.						
	(3)	Posting.							
		(i)	The ordering activity shall post the following information along with the Request for Quotation (RFQ) to eBuy (www.ebuy.gsa.gov):						
			(A) For proposed orders or BPAs with an estimated value exceeding \$25,000, but not exceeding the simplified acquisition threshold, the documentation required by paragraph (b)(2)(i) of this section.						
			(B) For proposed orders or BPAs with an estimated value exceeding the simplified acquisition threshold, the justification required by paragraph (c) of this section.						
			(C) The documentation in paragraph (b)(2)(i) and the justification in paragraph (c) of this subsection is subject to the screening requirement in paragraph (a)(2)(iii) of this section						

Notes		(ii)		posting requirement of paragraph (b)(3)(i) of this section does not when—	
			! !	Disclosure would compromise the national security (e.g., would result in disclosure of classified information) or create other security risks. The fact that access to classified matter may be necessary to submit a proposal or perform the contract does not, in itself, justify use of this exception;	
				The nature of the file (e.g., size, format) does not make it costeffective or practicable for Contracting Officers to provide access through eBuy; or	
			(The agency's senior procurement executive makes a written determination that access through eBuy is not in the government's interest.	
	,	para the c appr then	graph order c	licable, the documentation and posting requirements in s (b)(2) and (3) of this subsection apply only to the portion of or BPA that requires a brand-name item. If the justification and s to cover only the portion of the acquisition which is brand-name, uld so state; the approval level requirements will then only apply tion.	
			An order or BPA with an estimated value exceeding the simplified acquisition hreshold.		
		thres Cont shall	shold, tractin	osed order or BPA exceeding the simplified acquisition the requiring activity shall assist the ordering activity of Officer in the preparation of the justification. The justification hat the acquisition is conducted under the authority of the ward Schedule Program (see 8.401).	
	((2) At a	minim	um, each justification shall include the following information:	
		(i)		ification of the agency and the contracting activity, and specific ification of the document as a "Limited-Sources Justification."	
		(ii)	Natu	re and/or description of the action being approved.	
		(iii)		scription of the supplies or services required to meet the cy's needs (including the estimated value).	
		(iv)	(1)) a	authority and supporting rationale (see 8.405-6(a)(1)(i) and (b) and, if applicable, a demonstration of the proposed contractor's ue qualifications to provide the required supply or service.	
		(v)		termination by the ordering activity Contracting Officer that the represents the best value consistent with 8.404(d).	
		(vi)	holde	scription of the market research conducted among Schedule ers and the results or a statement of the reason market research not conducted.	
		(vii)	Any	other facts supporting the justification.	

		(viii)	A statement of the actions, if any, the agency may take to remove or overcome any barriers that led to the restricted consideration before any subsequent acquisition for the supplies or services is made.	Notes
		(ix)	The ordering activity Contracting Officer's certification that the justification is accurate and complete to the best of the Contracting Officer's knowledge and belief.	
		(x)	Evidence that any supporting data that is the responsibility of technical or requirements personnel (e.g., verifying the government's minimum needs or requirements or other rationale for limited sources) and which form a basis for the justification have been certified as complete and accurate by the technical or requirements personnel.	
		(xi)	For justifications under 8.405-6(a)(1), a written determination by the approving official identifying the circumstance that applies.	
(d)	Jus	stificat	ion approvals.	-
	(1)	simp activ	a proposed order or BPA with an estimated value exceeding the elified acquisition threshold, but not exceeding \$650,000, the ordering ity Contracting Officer's certification that the justification is accurate complete to the best of the ordering activity Contracting Officer's yledge and belief will serve as approval, unless a higher approval level	
			tablished in accordance with agency procedures.	
	(2)	but r com nam	a proposed order or BPA with an estimated value exceeding \$650,000, not exceeding \$12.5 million, the justification must be approved by the petition advocate of the activity placing the order, or by an official ed in paragraph (d)(3) or (d)(4) of this section. This authority is not gable.	
	(3)	milli	a proposed order or BPA with an estimated value exceeding \$12.5 on, but not exceeding \$62.5 million (or, for DoD, NASA, and the Coast rd, not exceeding \$85.5 million), the justification must be approved by—	
		(i)	The head of the procuring activity placing the order;	
		(ii)	A designee who—	
			(A) If a member of the armed forces, is a general or flag officer;	
			(B) If a civilian, is serving in a position in a grade above GS-15 under the General Schedule (or in a comparable or higher position under another Schedule); or	
		(iii)	An official named in paragraph (d)(4) of this section.	
	(4)	(or, f must the o	proposed order or BPA with an estimated value exceeding \$62.5 million or DoD, NASA, and the Coast Guard, over \$85.5 million), the justification to be approved by the senior procurement executive of the agency placing order. This authority is not delegable, except in the case of the Under etary of Defense for Acquisition, Technology, and Logistics, acting as enior procurement executive for the Department of Defense.	

Notes	8.405-7 Payment. Agencies may make payments for oral or written orders by any authorized means, including the governmentwide commercial purchase card (but see 32.1108(b)(2)).
	8.406 Ordering activity responsibilities. 8.406-1 Order placement. (a) Ordering activities may place orders orally, except for—
	 (1) Supplies and services not requiring a statement of work exceeding the simplified acquisition threshold;
	(2) Services requiring a statement of work (SOW); and
	(3) Orders containing brand-name specifications that exceed \$25,000.
	(b) Ordering activities may use Optional Form 347, an agency-prescribed form, or an established electronic communications format to order supplies or services from Schedule contracts.
	(c) The ordering activity shall place an order directly with the contractor in accordance with the terms and conditions of the pricelists (see 8.402(b)). Prior to placement of the order, the ordering activity shall ensure that the regulatory and statutory requirements of the requiring agency have been applied.
	(d) Orders shall include the following information in addition to any information required by the Schedule contract:
	(1) Complete shipping and billing addresses.
	(2) Contract number and date.
	(3) Agency order number.
	(4) F.O.B. delivery point; i.e., origin or destination.
	(5) Discount terms.
	(6) Delivery time or period of performance.
	(7) Special item number or national stock number.
	(8) A statement of work for services, when required, or a brief, complete description of each item (when ordering by model number, features and options such as color, finish, and electrical characteristics, if available, must be specified).
	(9) Quantity and any variation in quantity.
	(10) Number of units.
	(11) Unit price.
	(12) Total price of order.
	(13) Points of inspection and acceptance.
	(14) Other pertinent data; e.g., delivery instructions or receiving hours and size- of-truck limitation.

	(15)) Marking requirements.	Notes				
	(16)) Level of preservation, packaging, and packing.					
8.406-2 (a)		spection and acceptance. pplies.					
` ,		Consignees shall inspect supplies at destination except when—					
		(i) The Schedule contract indicates that mandatory source inspection is required by the Schedule contracting agency; or					
		(ii) A Schedule item is covered by a product description, and the ordering activity determines that the Schedule contracting agency's inspection assistance is needed (based on the ordering volume, the complexity of the supplies, or the past performance of the supplier).					
	(2)	When the Schedule contracting agency performs the inspection, the ordering activity will provide two copies of the order specifying source inspection to the Schedule contracting agency. The Schedule contracting agency will notify the ordering activity of acceptance or rejection of the supplies.					
	(3)	Material inspected at source by the Schedule contracting agency, and determined to conform with the product description of the Schedule, shall not be reinspected for the same purpose. The consignee shall limit inspection to kind, count, and condition on receipt.					
	(4)	Unless otherwise provided in the Schedule contract, acceptance is conclusive, except as regards latent defects, fraud, or such gross mistakes as amount to fraud.					
(b)	Services. The ordering activity has the right to inspect all services in accordance with the contract requirements and as called for by the order. The ordering activity shall perform inspections and tests as specified in the order's quality assurance surveillance plan in a manner that will not unduly delay the work.						
8.406-3 (a)	If a contractor delivers a supply or service, but it does not conform to the order requirements, the ordering activity shall take appropriate action in accordance with the inspection and acceptance clause of the contract, as supplemented by the order.						
(b)	the est Ord	he contractor fails to perform an order, or take appropriate corrective action, ordering activity may terminate the order for cause or modify the order to ablish a new delivery date (after obtaining consideration, as appropriate). dering activities shall follow the procedures at 8.406-4 when terminating an ler for cause.					
8.406-4 (a)		An ordering activity Contracting Officer may terminate individual orders for cause. Termination for cause shall comply with FAR 12.403, and may include charging the contractor with excess costs resulting from repurchase					

Notes		(2) The Schedule contracting office shall be notified of all instances where an ordering activity Contracting Officer has terminated for cause an individual order to a Federal Supply Schedule contractor, or if fraud is suspected.
	(b)	If the contractor asserts that the failure was excusable, the ordering activity Contracting Officer shall follow the procedures at 8.406-6, as appropriate.
	(c)	If the contractor is charged excess costs, the following apply:
		(1) Any repurchase shall be made at as low a price as reasonable, considering the quality required by the Government, delivery requirement, and administrative expenses. Copies of all repurchase orders, except the copy furnished to the contractor or any other commercial concern, shall include the notation:
		Repurchase against the account of <u>[insert contractor's name]</u> under Order <u>[insert number]</u> .
		(2) When excess costs are anticipated, the ordering activity may withhold funds due the contractor as offset security. Ordering activities shall minimize excess costs to be charged against the contractor and collect or set-off any excess costs owed.
		(3) If an ordering activity is unable to collect excess repurchase costs, it shall notify the Schedule Contracting Office after final payment to the contractor.
		(i) The notice shall include the following information about the terminated order:
		(A) Name and address of the contractor.
		(B) Schedule, contract, and order number.
		(C) National stock or special item number(s), and a brief description of the item(s).
		(D) Cost of Schedule items involved.
		(E) Excess costs to be collected.
		(F) Other pertinent data.
		(ii) The notice shall also include the following information about the purchase contract:
		(A) Name and address of the contractor.
		(B) Item repurchase cost.
		(C) Repurchase order number and date of payment.
		(D) Contract number, if any.
		(E) Other pertinent data.
	(d)	Only the Schedule Contracting Officer may modify the contract to terminate for cause any, or all, supplies or services covered by the Schedule contract. If the Schedule Contracting Officer has terminated any supplies or services covered by the Schedule contract, no further orders may be placed for those items. Orders placed prior to termination for cause shall be fulfilled by the contractor, unless terminated for the convenience of the government by the ordering activity
		Contracting Officer.

(e)	Reporting. An ordering activity Contracting Officer, in accordance with agency procedures, shall ensure that information related to termination for cause notices and any amendments are reported. In the event the termination for cause is subsequently converted to a termination for convenience, or is otherwise withdrawn, the Contracting Officer shall ensure that a notice of the conversion or withdrawal is reported. All reporting shall be in accordance with 42.1503(f).	Notes
8.406-5 (a)	Termination for the Government's convenience. An ordering activity Contracting Officer may terminate individual orders for the Government's convenience. Terminations for the Government's convenience shall comply with FAR 12.403.	
(b)	Before terminating orders for the Government's convenience, the ordering activity Contracting Officer shall endeavor to enter into a "no cost" settlement agreement with the contractor.	
(c)	Only the Schedule Contracting Officer may modify the Schedule contract to terminate any, or all, supplies or services covered by the Schedule contract for the Government's convenience.	
8.406-6 (a)	Disputes. Disputes pertaining to the performance of orders under a Schedule contract.	
	(1) Under the Disputes clause of the Schedule contract, the ordering activity Contracting Officer may—	
	(i) Issue final decisions on disputes arising from performance of the order (but see paragraph (b) of this section); or	
	(ii) Refer the dispute to the Schedule Contracting Officer.	
	(2) The ordering activity Contracting Officer shall notify the Schedule Contracting Officer promptly of any final decision.	
(b)	Disputes pertaining to the terms and conditions of Schedule contracts. The ordering activity Contracting Officer shall refer all disputes that relate to the contract terms and conditions to the Schedule Contracting Officer for resolution under the Disputes clause of the contract and notify the Schedule contractor of the referral.	
(c)	Appeals. Contractors may appeal final decisions to either the Board of Contract Appeals servicing the agency that issued the final decision or the U.S. Court of Federal Claims.	
(d)	Alternative dispute resolution. The Contracting Officer should use the alternative dispute resolution (ADR) procedures, to the maximum extent practicable (see 33.204 and 33.214).	
Orderii	Contractor Performance Evaluation. ng activities must prepare an evaluation of contractor performance for each nat exceeds the simplified acquisition threshold in accordance with 42.1502(c).	

Notes	Appendix B — Blanket Purchase Agreements
	(BPAs) Format
	MAS BPA Streamlines the Acquisition Process BPAs help consolidate agency needs in many ways. Two examples are:
	♣ A BPA can be set up for field offices across the nation, thus allowing them to participate in an agency-wide BPA and place orders directly with GSA Schedule contractors. In doing so, the entire agency reaps the benefits of additional discounts negotiated into the BPA.
	A multi-agency BPA can be established if the BPA identifies the participating Agencies and their estimated requirements at the time the BPA is established.
	BPAs enable an ordering activity to prepare for anticipated purchases and become more proactive in its purchasing approach. Because an ordering activity is not buying products or services when it establishes the BPA, the ordering activity does not need to have the funding available when the BPA is established unless a minimum dollar value is guaranteed in the BPA (note this is not a requirement). When the funding becomes available, and the need becomes immediate, the ordering activity can make the purchase by placing a delivery or task order.
	Schedule BPAs simplify the acquisition process for the ordering activity. An ordering activity does not need to synopsize requirements for purchase against a BPA. The only exception is for ARRA-funded purchases, which do require a plain-language synopsis of the acquisition need.
	—— The Attraction of Schedule BPAs
	Schedule BPAs offer many benefits. Most importantly, Schedule BPAs help ordering activities anticipate and prepare for recurring purchasing needs, and have fewer acquisition requirements than standard contracts or traditional BPAs.
	The government encourages the use of Schedule BPAs for the following reasons:
	Gives the ordering activity flexibility in acquiring the exact services, levels of effort, and periods of performance that it needs for acquisitions without having to go through a separate acquisition process for each purchase.
	 Saves administrative time and money through consolidated payment and summary invoicing, thereby creating processing efficiencies.
	Pre-negotiated prices means that the government is receiving the best pricing from the contractor on all task orders associated with the Schedule BPA.

The contractor receives value in participating in a Schedule BPA for the following reasons:	Notes
Simplifies production and revenue planning by providing an ongoing source of orders.	
Increases revenue through volume purchases. To earn the volume purchases, the contractor understands volume discounts must be provided.	
The streamlined acquisition process provides contractors with a quicker turnaround on orders and may improve cash flow	
Guidelines for Establishing BPAs for Work Requiring an SOW	
If the BPA is for hourly rate services, the ordering activity must develop a Statement of Work (SOW) for requirements covered by the BPA. All orders under the BPA should specify a price for the performance of the tasks identified in the Statement of Work.	
If the anticipated tasks are narrow in scope/complexity and repetitive in nature, such as	
mail management at one location, the ordering activity may follow the procedures for a single-award BPA, as outlined in FAR 8.405-3. Once a single-award BPA is established,	
ordering activities can place additional orders with the BPA holder without further "best value" selections.	
If the anticipated tasks are broad in scope/complexity and repetitive in nature, such as engineering support services for multiple military bases, the ordering activity may then	
follow the procedures for establishment of a series of multiple-award BPAs. When issuing an order from a multiple-award BPA, the ordering activity must forward the RFQ to an appropriate number of BPA holders, as established in the BPA's ordering procedures.	
Whenever a BPA is being negotiated, the ordering activity should seek price reductions.	
Establishing a Schedule BPA: Basic Information	
Before an ordering activity can issue a task order against a Schedule BPA, the BPA must first be established. Similar to other acquisitions, a Schedule BPA has certain documentation requirements that provide a permanent record of the process used in	
evaluating Schedule solutions and placing the Schedule order or BPA. The documentation should be brief but detailed enough to demonstrate that the Schedule user followed the requirements of the FAR, the Schedule contract, and good business practice.	
Most Schedule BPAs begin with general information such as the following:	
❖ A statement that the document is a Schedule BPA	
A statement that the Schedule BPA is issued under authority of the BPA clause in the applicable GSA Schedule contract(s), including the contract number(s)	
Identification of the organization issuing the Schedule BPA	
 Identification of the contractor 	

Notes	The Schedule BPA should include the signatures of ordering activity and Schedule contractor representatives who are authorized to bind the parties to the agreement. The Schedule BPA may include other elements required by FAR Subpart 8.406-1 for Schedule orders.
	Award Types
	Single-Award BPAs If the ordering activity establishes one BPA, authorized users may place the task order directly under the established BPA when the need for the supply or service arises.
	When establishing a single BPA, the ordering activity should address the following:
	The frequency of orders, invoices, discounts, delivery locations and time
	 Supplies or services to be ordered, and type of pricing, such as hourly rate services
	 A Firm Fixed Price (FFP), Labor Hour or Time and Materials (T&M) pricing arrangement for individual task or delivery orders, as allowed in the GSA Schedule contract
	 Confirmation that a single BPA contractor can meet estimated requirements
	 Declaration that the government seeks to obtain the best value from a single Schedule contractor, and considering quantity discounts, administrative savings and other benefits related to reduced acquisition lead-time
	 Authorized users
	To issue a single-award BPA, the ordering activity must first issue a BPA RFQ. The ordering activity must evaluate all quotes submitted and select the contractor who provides the best value. When the ordering activity needs to purchase against the BPA, a task order RFQ is issued to the single BPA holder. The contractor submits a quote, which is evaluated by the ordering activity. The ordering activity decides if placing an order would be in their best interest.
	One advantage of a Single Schedule BPA is all future orders are simplified because the ordering activity can go to a single vendor for all items covered by the BPA. Another advantage is vendors are enticed to provide better pricing and terms by leveraging the full value of the requirement to attract maximum competition.
	Multiple-Award BPAs Multiple-award BPAs are established with more than one Schedule contractor. Multiple-award BPAs are appropriate when the ordering activity determines that more than one BPA is necessary to meet its needs, or when the requirement is less defined. Multiple-award BPAs require ordering activities to make two best-value evaluations: Who receives the BPA? Who receives the task order?

The number of BPAs to be established is within the discretion of the ordering activity establishing the BPAs and should be based on a strategy that is expected to maximize the effectiveness of the BPAs. In determining how many BPAs to establish, the ordering activity should consider:	Notes
The scope and complexity of the requirement(s)	
The need to periodically compare multiple technical approaches or prices	
The administrative costs of Multiple BPAs	
The technical qualifications of the Schedule contractor(s)	
If the ordering activity establishes Multiple BPAs before placing an order exceeding the micro-purchase threshold, the ordering activity must forward the requirement, or SOW, and the evaluation criteria, to an appropriate number of Schedule BPA holders IAW the BPA ordering procedures. The ordering activity must evaluate the responses received, make a "Best Value" determination and place the order with the Schedule BPA holder that represents the best value.	
Choosing BPA Types	
When an ordering activity has a requirement, the first decision that should be made is if an MAS BPA is appropriate to use. The ordering activity compares the Performance Work Statement (PWS) to the GSA Schedules to see if there is a match.	
Assuming the PWS is in-scope, the next step is to decide whether to issue a task order against a Schedule or to use a BPA. The reasoning behind using a BPA is based on whether or not the requirement is going to be recurring. If the requirement is not recurring, then the ordering activity should issue a task order, or a RFQ and submit an order based on the quotes.	
If the requirement is recurring, the ordering activity must determine whether the requirement is broad or narrow. If the requirement is broad, a multiple-award BPA should be used. A single-award BPA should be used if the requirement is narrow.	
BPA Specifications	
The Schedule BPA must include the specifics of the agreement. The specifications should address the subjects below.	
Multi-Agency Schedule BPAs. Agencies can join together to create a BPA that is limited to purchasers in any of the partner agencies. The multi-agency Schedule BPA must identify the participating agencies and each agency's estimated requirements at the time the Schedule BPA is established.	
BPA period. The period of the Schedule BPA may be identified with specific start and end dates or from award to the expiration date. Schedule BPAs should not exceed five years in length, but may do so to meet program requirements. A contractor may be awarded a Schedule BPA that extends beyond the current term of the applicable GSA Schedule contract if there are option periods in the Schedule contract(s), if exercised, will cover the Schedule BPA's period of performance.	

Notes	FAR Subpart 8.405-3(d) requires an annual review of each Schedule BPA to determine if the BPA continues to represents the best value. It is possible to add options to a BPA, but there is no compelling reason to do so. Annual reviews are more flexible and streamlined than a full FAR Part 17 option review. A cancellation clause should be included in the BPA if issues occur so the government is able cancel the BPA.
	Frequency of ordering. The frequency of ordering should be described clearly based on available information. If the frequency of ordering is identified, the Schedule user should describe the frequency in the Schedule BPA. For example, the Schedule BPA might state that orders will be issued monthly based on estimated ordering activity requirements for the following month. If the frequency of ordering is not known, the Schedule user should include a general statement that accurately describes the known information about the frequency of ordering. For example, the Schedule BPA may state that orders will be issued when requirements are identified by the ordering activity.
	Delivery/performance period. When the Schedule BPA's delivery/performance period is known, the Schedule BPA should state the period. If the Schedule BPA covers a large number of services or supplies, it may be difficult or impossible to identify delivery/performance periods in the BPA. When various services will be provided based on a general Schedule BPA SOW, it may not be possible to identify the performance period in the BPA. In those cases, the Schedule BPA should state that the delivery/performance period will be identified in each BPA order.
	Estimated requirements. Estimated requirements should be based on the best available estimate at the time the Schedule BPA is established. The estimates should describe the expected requirements for particular types of services or supplies over a period. The period is one year unless the Schedule BPA is for a shorter period.
	The BPA should include a statement that the government is not obligated to make any purchases using the Schedule BPA. Common examples include:
	A statement such as "This Schedule BPA does not obligate any funds. The government is obligated only to the extent of authorized orders actually made under the BPA."
	❖ A statement such as "The government estimates, but does not guarantee, that the volume of purchases using this Schedule BPA will be \$ This BPA does not obligate any funds. The government is obligated only to the extent of authorized orders actually made under the BPA."
	Ordering activities may include a guaranteed minimum purchase amount in the BPA to get better pricing from the contractor. If the BPA contains such a guarantee, then the ordering activity must dedicate funds to cover the guaranteed minimum. However, it should be noted that this is not a requirement.
	Delivery/performance locations. Schedule BPAs for supplies should either identify the location required for delivery or state that the location will be provided with each order. If Schedule BPA services will be performed at one or more known locations, the BPA should identify those locations. At a minimum, the Schedule BPA should identify the geographic area of BPA performance.

Price Reductions. The potential volume of orders under BPAs, regardless of the size of individual orders, offers the opportunity to secure greater discounts. FAR Subpart 8.405-4 requires Schedule users to seek price reductions:	Notes
Before placing any order that exceeds the relevant maximum order threshold	
When the supply or service is available elsewhere at a lower price	
When establishing a BPA to fill requirements	
In conjunction with the annual BPA review	
When there are other reasons for requesting a price reduction	
Any additional discounts obtained should be identified in the resulting Schedule BPA. Identification may take any form appropriate to the acquisition situation. Most often it will be a percentage reduction or a reduced price list applicable to the BPA.	
Schedule contractors are not required to pass a price reduction extended to an individual ordering activity for a specific order on to all Schedule users.	
Invoice address. If the contractor will submit all Schedule BPA invoices to the same address, the BPA should identify that address. If different orders will require that invoices be sent to different addresses, the Schedule BPA should state that invoices must be submitted to the address specified on each order.	
Invoice consolidation. Examples of invoice consolidation requirements include the following statements:	
A summary invoice must be submitted at least monthly or upon expiration of the Schedule BPA, whichever occurs first, for all deliveries made during a billing period, identifying the delivery tickets examined therein, stating their total dollar value, and supported by receipt copies of the delivery tickets	
An itemized invoice must be submitted at least monthly or upon expiration of the BPA, whichever occurs first, for all deliveries made during a billing period and for which payment has not been received	
When billing procedures provide for an individual invoice for each delivery, these invoices must be accumulated, provided that:	
A consolidated payment will be made for each specified period	
The period of any discounts will commence on the final date of the billing period or on the date of receipt of invoices for all deliveries accepted during the billing period, whichever is later	

Notes	Evaluations and rationales. When establishing MAS BPAs, the ordering activity must document the following:
	The evaluation methodology used in selecting the contractor to receive the BPA(s)
	The rationale for any trade-offs in making the selection
	The fair and reasonable price determination required by FAR Subpart 8.405-2(d) for BPAs with hourly rate services
	• The results of the annual review
	If applicable, the ordering activity must document the following:
	 The circumstances and rationale for restricting consideration of Schedule contractors to fewer than required in the Schedule ordering procedures
	The rationale for placing an order other than Firm Fixed Price (FFP) or performance-based
	Sample BPA Format
	A BPA does not need to be a long document. The sample BPA template on the next page is available as a Word document on the GSA website at www.gsa.gov/bpaformat.
	Schedule BPA Order Placement
	If the ordering activity establishes a single award Schedule BPA, authorized users may place the order directly under the established BPA when the need for the supply or service arises.
	If the ordering activity establishes Multiple Award Schedule BPAs, each BPA should include procedures for providing BPA holders a fair opportunity to provide the services and/or supplies identified in the BPA. The ordering activity must:
	 Forward the requirement or Statement of Work (SOW), and the evaluation criteria, to an appropriate number of BPA holders, as established in the BPA ordering procedures; and
	Evaluate the responses received, make a best value determination, and place the order with the BPA holder that represents the best value.
	If the ordering activity establishes a BPA for hourly rate services, the ordering activity must develop an SOW for requirements covered by the BPA. All orders under the BPA shall specify a price for the performance of the tasks identified in the SOW.
	The procedures for placing Schedule BPA orders must conform to applicable FAR, agency, and ordering activity requirements.
	Any required order element included in the Schedule BPA does not need to be included in orders under the BPA.
	Any required order element included in the Schedule BPA does not need to be included.

Sample BPA Format

BPA NUMBER		
	(CUSTOMER NAME) BLANKET PURCHASE AGREEMENT	
	suant to GSA Federal Supply Schedule Contract Number(s) and Federal	_
	quisition Regulation (FAR) 8.405-3, Blanket Purchase Agreements (BPAs), the Contractor agrees to following terms of a BPA EXCLUSIVELY WITH(Ordering Agency):	_
(1)	The following contract services/products can be ordered under this BPA. All orders placed against this BPA are subject to the terms and conditions of the contract, except as noted below:	_
	ITEM (Model/Part Number or Type of Service) SPECIAL BPA DISCOUNT/PRICE	—
(2)	Delivery: DESTINATION DELIVERY SCHEDULE/DATES	_
		_
(3)	The government estimates, but does not guarantee, that the volume of purchases through this agreement will be	_
(4)	This BPA does not obligate any funds.	
(5)	This BPA expires on or at the end of the contract period, whichever is earlier.	_
(6)	The following office(s) is hereby authorized to place orders under this BPA: OFFICE POINT OF CONTACT	_
		_
(7)	Orders will be placed against this BPA via Electronic Data Interchange (EDI), FAX, paper, or oral communications.	_
(8)	Unless otherwise agreed to, all deliveries under this BPA must be accompanied by delivery tickets	_
	or sales slips that must contain the following information as a minimum: (a) Name of Contractor;	_
	(b) Contract Number; (c) BPA Number;	
	(d) Model Number or National Stock Number (NSN); (e) Task/Delivery Order Number;	
	(f) Date of Purchase;	
	(g) Quantity, Unit Price, and Extension of Each Item (unit prices and extensions need not be shown when incompatible with the use of automated systems; provided, that the invoice is	
	itemized to show the information); and (h) Date of Shipment.	
(9)	The requirements of a proper invoice are as specified in the Federal Supply Schedule contract.	
	Invoices will be submitted to the address specified within the task/delivery order transmission issued against this BPA.	
(10)	The terms and conditions included in this BPA apply to all purchases made pursuant to it. In the	_
	event of an inconsistency between the provisions of this BPA and the Contractor's invoice, the provisions of this BPA will take precedence.	_

Notes

Notes	Using Existing Schedule BPAs The BPA may specify the methods that the Schedule user can use to place an order. If the BPA does not specify an order placement method, the BPA user can use any method permitted by the Schedule contract, FAR, agency, and ordering activity guidelines.
	The contents of each individual order will depend on the contents of the BPA. The required information not included in the BPA must be included in each individual order.
	There is no dollar limitation for BPAs established by ordering activities with contractors under the Schedules program.
	The ordering Contracting Officer must review multiple-award BPAs annually to determine whether the BPAs continue to represent the best value to the government.
	DFARS 208.405-70(b) and (c) require that any DOD ordering activity seeking to place orders exceeding the simplified acquisition threshold should provide fair notice of the intent to make the purchase to as many relevant Schedule contractors as practicable so that the ordering activity can receive offers from at least three contractors. If less than three contractors submit quotes, the Contracting Officer should document the efforts made to obtain three quotes. By opening the quote to a greater number of contractors, DOD ordering activities ensure that they have fulfilled the DOD competition requirements, even if less than three quotes are received.
	When a single BPA is established, subsequent task orders may be placed without additional competition against the BPA. For multiple-award BPAs, Contracting Officers subject to the DFARS and guided by the DFARS PGI 208.404-70 additional ordering procedures should send the complete RFQ (including SOW and selection criteria) to all multiple-award BPA holders.
	Price Reductions
	Ordering activities should seek additional price reductions, increased discounts or concessions when placing an order under a GSA Schedule contract or BPA. Contractors often will "sharpen their pencils" to obtain a large Schedule contract order. GSA Schedule contractors are not required to grant all Schedule users a price reduction extended to an individual customer for a specific order.
	The ability to seek additional price reductions and concessions allows the government not only to leverage its combined requirements to obtain favorable prices, terms, and conditions, but also to leverage agency requirements to take advantage of quantity or spot discounts available in a fluid, commercial pricing atmosphere.
	An ordering activity should try to seek further price reductions when requirements warrant reductions. Price reductions allow ordering activities to take advantage of flexible and dynamic pricing in the commercial marketplace. By requesting a price reduction, the ordering activity can maximize its use of GSA Schedule contracts by taking advantage of factors such as:
	Competitive forces
	* Technological changes

Labor conditions	Notes
 Supply and demand 	
Industry sales goals	
Inventory reductions	
An ordering activity should seek price reductions for any size Schedule contract order, and must seek price reductions if a requirement exceeds a Schedule contract's maximum order threshold. The maximum order varies among contracts and is listed in every GSA Schedule contractor's price list and on GSA Advantage!®. In response to the ordering activity's request for a price reduction, the contractor may:	
Offer a lower price	
 Offer the current Schedule contract price 	
Decline the order	
If further price reductions are not offered, the order may still be placed by the ordering activity because GSA has determined the contract prices to be fair and reasonable.	
BPA Task Order Documentation	
When placing an order from a BPA, the ordering activity must document:	
The BPA holder from which the supply or service was purchased and a description of the supply or service purchased	
The amount paid	
The fair and reasonable price determination required by FAR 8.405-2(d) for BPAs with hourly rate services	
If applicable, the rationale for using other than a Firm Fixed Price (FFP) order or a performance-based order	
If ordering from multiple BPAs, in addition to the above documentation, the ordering activity shall document:	
The BPAs considered	
The evaluation methodology used in selecting the BPA holder to receive the order	
The rationale for any trade-offs in making the selection	
Socioeconomic Considerations for BPAs	
Just as with individual Schedule task orders, an ordering activity may consider socioeconomic conditions when on a contractor to establish a BPA. FAR Subpart 8.405-5 states that although the mandatory preference programs of FAR Part 19 do not apply, orders placed against Schedule contracts may be credited toward the ordering activity's small business goals.	

Notes	Although set-asides do not apply to the MAS program, an ordering activity may limit competition to small businesses in selecting the Schedule BPA holders to whom they send an RFQ. Under the current rules, any Schedule BPA holder may submit a quote and the ordering activity must consider it. The ordering activity may choose socioeconomic objectives as one of its source selection factors and this factor, in addition to price and other factors may result in an award to a small business over a non-small business.
	If an ordering activity decides to consider socioeconomic status when identifying contractor(s) for consideration or competition for award of an order or BPA, it should, consider using at least one of the following Schedule contractor(s):
	❖ Small business
	Veteran-owned small business
	Service-disabled, veteran-owned small business
	 HUBZone small business
	 Women-owned small business
	 Small disadvantaged business
	For purposes of reporting an order placed with a small business Schedule contractor, an ordering agency may only take credit if the awardee meets a size standard that corresponds to the work performed. The ordering activity should rely on the small business representations made by Schedule contractors at the contract level. Contractors must recertify their size status prior to the exercise of an option or if another company, notwithstanding the execution of a notation, acquired the company.
	GSA Advantage!® and GSA eLibrary contain information on the small business representations of Schedule contractors.
	The task order Contracting Officer may request a size recertification at the task/ delivery order level for any of the following reasons:
	The NAICS code used on the Schedule contract is different than that representing the preponderance of the work on a particular task order, and the NAICS codes have different size standards
	The size standards for the NAICS codes changed
	The contractor was large at the time of Schedule contract award but has subsequently become smaller due to a decrease in average annual gross receipts or number of employees
	Any combination of the above

Notes **BPA Annual Review** The ordering activity that established a BPA must review it at least once a year to determine whether: The Schedule contract upon which the BPA was established is still in effect The BPA continues to represents the best value Estimated quantities/amounts have been exceeded and additional price reductions can be obtained The ordering activity must document the results of its review and should take appropriate action based on the results of the review. For example, the ordering activity should consider whether it is appropriate to seek additional price reductions under the current BPA or initiate a new competition for a replacement.







